

## Item 1: Cover Page

# BLACKSTONE LIQUID CREDIT STRATEGIES LLC

345 Park Avenue

New York, NY 10154

+1 (212) 503-2100

www.blackstone.com

as of March 31, 2021

Part 2A of Form ADV (the “**Disclosure Brochure**” or “**Brochure**”), as required by the Investment Advisers Act of 1940 (the “**Advisers Act**”), provides important information about Blackstone Liquid Credit Strategies LLC, a registered investment adviser with the United States Securities and Exchange Commission (the “**SEC**”), and its relying advisers, Blackstone Ireland Limited, Blackstone Ireland Fund Management Limited, and Blackstone CLO Management LLC (Management Series) (together, the “**Registrant**” or “**BLCS**”).

This Brochure provides information about the Registrant’s qualifications and business practices. If you have any questions about the contents of this Brochure, please contact the Registrant at +1 (212) 503-2100. Additional information about the Registrant is also available on the SEC’s website, [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) (click on the link “Investment Adviser Search,” select “Firm” and type in the Registrant’s name). Results will provide you with Parts 1 and 2A of the Registrant’s Form ADV.

The information in this Brochure has not been approved or verified by the SEC or by any state securities authority. The Registrant’s registration as an investment adviser does not imply a certain level of skill or training. The oral and written communications the Registrant provides to you, including this Brochure, serve as information for you to use to evaluate the Registrant and should be considered in your decision whether to invest in an investment vehicle advised by the Registrant.

## Item 2: Material Changes

This Brochure contains important information about the Registrant. This Brochure is intended to provide potential and existing clients with an overview of the Registrant (together with its affiliated advisory entities that operate as part of the credit-focused business of The Blackstone Group Inc., “**Blackstone Credit**” (formerly known as “**GSO**”) and together with its affiliated advisory entities that operate as part of the business of The Blackstone Group Inc., “**Blackstone**”). It also contains important disclosures such as certain practices of the Registrant, potential material conflicts that may arise and key potential investment risks. The Registrant may, at any time, update this Brochure and either send or offer to send a copy to you (either by electronic means (email) or in hard copy form).

The information below is a summary of only the material changes to this Brochure since the last annual update dated March 30, 2020, which was posted on the SEC’s public disclosure website, [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Effective November 9, 2020, GSO rebranded to become Blackstone Credit to reflect its current status within Blackstone and integral position as Blackstone’s global credit platform (the “**Rebrand**”). In December 2020, as part of the Rebrand transition, Blackstone Credit renamed various entities, including the Registrant, select advisory affiliates and certain Funds (as defined below). Please carefully read Items 1, 4, and 10, which reflect the new names of the Registrant and other advisory affiliates associated with the Rebrand.

Effective December 18, 2020, Blackstone acquired a controlling stake in DCI, LLC (renamed Blackstone Credit Systematic Strategies LLC effective March 10, 2021, and referred to herein as “**SIS**”), a San Francisco-based investment adviser, which has become a part of Blackstone Credit. Please carefully read Items 8 and 10, which contain updated information and/or disclosures reflecting the acquisition and SIS’s new status as an advisory affiliate of Blackstone Credit operating as part of the Blackstone business.

Additionally, please carefully read Items 8, 10 and 12, which describe additional information with respect to investment strategies and risks, new affiliates and potential conflicts of interest, and brokerage practices, respectively.

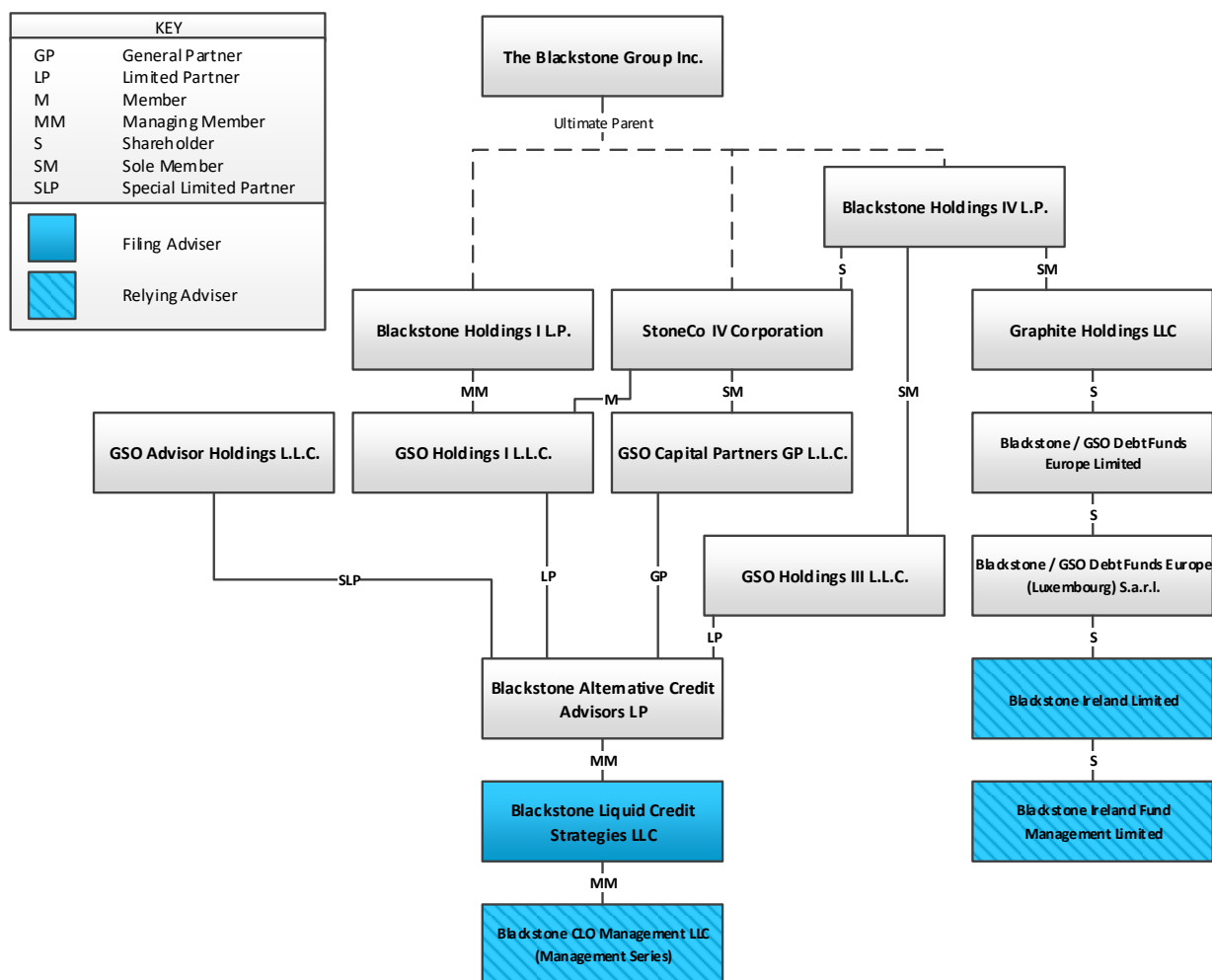
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## Item 4: Advisory Business

Blackstone Credit serves as investment manager for (i) pooled investment vehicles operating as private investment funds, including collateralized loan obligation (“**CLO**”) vehicles, open-ended funds, closed-ended funds, and funds in which affiliates or employees of Blackstone Credit invest alongside such other private investment funds and (ii) registered investment companies (collectively, the “**Funds**”). In addition, Blackstone Credit provides sub-advisory services to other investment advisers (the “**Adviser Clients**”) who in turn advise their clients. Also, Blackstone Credit provides investment advisory services to individually-managed accounts (the “**Managed Accounts**”). The Funds, Adviser Clients, and the third party investors in or owners of such Managed Accounts shall be referred to herein as the “**Clients**.” BLCS generally serves as investment manager for Managed Accounts, Adviser Clients, registered investment companies and various private Funds, including CLOs. Affiliates of the Registrant serve as general partner (each, a “**General Partner**”) of certain of the Funds. Blackstone Credit also provides investment management or sub-advisory services to other clients, other investment funds, client accounts (including managed accounts), and proprietary accounts and/or similar arrangements (including arrangements in which one or more Clients or one or more Other Clients (defined herein) own interests) in each case including any related vehicles (such other clients, funds and accounts, collectively the “**Other Blackstone Credit Clients**” (as further defined below)). In addition, Blackstone provides investment management or sub- advisory services to other clients, other investment funds, client accounts (including managed accounts), and proprietary accounts and/or other similar arrangements (including arrangements in which one or more Clients or one or more Other Clients own interests), in each case including any related vehicles (such other clients, funds and accounts, other than Clients and the Other Blackstone Credit Clients, collectively the “**Blackstone Clients**” (as further defined below), and together with the Other Blackstone Credit Clients, the “**Other Clients**”).

Blackstone Credit (formerly known as GSO) was founded in July 2005. On March 3, 2008, Blackstone acquired a controlling stake in the business. The ultimate parent of the Registrant is The Blackstone Group Inc., which is a publicly held corporation listed on the New York Stock Exchange that trades under the ticker symbol “BX.” Effective as of July 1, 2019, The Blackstone Group Inc. converted from a Delaware limited partnership named The Blackstone Group L.P. to a Delaware corporation. Please see the structure chart below. Blackstone is a leading global alternative investment manager with investment vehicles focused on real estate, private equity, hedge fund solutions, credit, infrastructure, secondary funds of funds and other multi-asset class strategies. Please see **Item 10 – Other Financial Industry Activities and Affiliations** for more information.



Blackstone Credit provides investment advice to Clients primarily in respect of investments in first lien loans, second lien loans, high yield bonds, distressed securities, mezzanine securities, public and private equity, and derivatives in respect of the foregoing. Blackstone Credit provides advice with respect to direct lending loan origination and with respect to trading of syndicated and actively traded loans or securities.

In certain situations, the Registrant is able to tailor its advisory services and investments based on specific Client objectives and/or investment strategies as discussed with the applicable Client. The Registrant is available to discuss such customized investment strategies or individually-managed accounts with existing and potential clients upon request.

BLCS's regulatory assets under management were approximately \$43.1 billion as of December 31, 2020, all of which are managed on a discretionary basis.<sup>1</sup>

<sup>1</sup> The assets reported above include assets attributable to the amount that clients advised by an investment adviser that is a related person of BLCS have invested in clients of BLCS. As a result, those assets are included in the regulatory assets under management of both BLCS and such other affiliated advisers. Additionally, the assets reported above exclude assets attributable to an investment by one client in another client that would represent a duplication of assets already included in calculating regulatory assets under management (so that such assets are counted only once).

## Item 5: Fees and Compensation

### Management Fees

For its investment advisory services provided to Funds, the Registrant or an affiliated entity will typically receive a management fee at an annual rate of up to 2% of either the net assets or invested capital, which may include capital borrowed from leverage providers, pursuant to the Offering and/or Governing Documents (as defined below), which are provided to prospective investors. Fees for the Adviser Clients are disclosed in the relevant investment management service agreement, to which the relevant Adviser Client is a party, and in the relevant offering documents. Fees for the Managed Accounts are disclosed in the relevant investment management agreement, to which the relevant account owner is a party. Such offering and/or governing documents, including the investment management agreement in the case of an Adviser Client or a Managed Account, when applicable, will be referred to herein as the “**Offering and/or Governing Documents**.” Notwithstanding this Item 5 and Item 6 below, a Client’s Offering and/or Governing Documents may provide for a fee structure pursuant to which the Registrant is compensated on the basis of entirely different criteria, metrics, or circumstances than those described herein, for example by receiving some or all of the fee income associated with a transaction in which a Client participates.

While the Registrant’s policy is that its fees are not negotiable, the Registrant reserves the right to waive or reduce its fees for certain investors. For example, certain affiliates of Blackstone, current or former senior advisors, officers, directors and personnel of Blackstone, portfolio companies of Clients and Other Clients, BIS Clients (as defined below), personnel of PJT (as defined below), and investment funds advised by Blackstone Multi-Asset Advisors L.L.C. (“**BMAA**”) (including, among other investment funds, side-by-side vehicles sponsored by Blackstone), and/or charitable programs, endowment funds and related entities established by or associated with any of the foregoing (including any trusts, family members, family investment vehicles, estate planning vehicles, descendants and other related persons or entities) and other persons related to Blackstone (collectively, “**Blackstone Credit Investors**”) that are investors in Clients do not pay management fees. Further, the existence of differing management fees for Clients of the Registrant or its affiliates investing side-by-side will create a conflict of interest for the Registrant and its affiliates with respect to the allocation of investment opportunities because it may incentivize the Registrant to allocate investment opportunities that may be appropriate for multiple Clients to those Clients who pay management fees (including on net assets or invested capital) at higher rates. Blackstone Credit’s investment allocation policy (see **Item 16 – Investment Discretion**) addresses this potential conflict of interest. Notwithstanding the foregoing, such Blackstone Credit Investors will either directly pay for their *pro rata* share of certain Fund expenses (as described below), or the *pro rata* share of such expenses will be allocated to the relevant General Partner or its affiliates. Such *pro rata* allocations of Fund expenses are calculated based on capital commitments, invested capital, available capital or other metrics, as determined by such General Partner in good faith pursuant to the terms of the applicable Offering and/or Governing Documents. Any such methodology (including the choice thereof) involves inherent conflicts because certain methods of expense allocations when compared to other available methods of expense allocation, may benefit or impose expenses on Blackstone Credit Investors, and may not result in perfect

attribution and allocation of expenses. In addition, certain investments in or alongside a Fund by Blackstone Credit Investors are treated as satisfying the applicable portion of any required capital commitments of the General Partner and/or its affiliates to the Funds (even in circumstances where any such commitments or investments are made following a separation from Blackstone). In addition, with respect to certain investors invested in certain Clients, in the event any such investor has a capital commitment below a certain minimum threshold established in the applicable Offering and/or Governing Documents, such investor will be subject to a servicing fee at an annual rate established in such Offering and/or Governing Documents based on invested capital attributable to such investor's interest in the applicable Client, subject to the applicable General Partner's right to waive such fees. As a result, the relative fees paid by investors in the same Client will not necessarily be reflective of their relative commitments.

The Registrant from time to time enters into economic and/or other fee sharing arrangements with respect to one or more Clients and/or certain limited partners thereof, the rights of which will not generally be made available to other limited partners.

### **Management Fee Offset**

Subject to each Client's Offering and/or Governing Documents, generally the management fee payable by a Client to the Registrant will be reduced by all or a portion (as disclosed in the Offering and/or Governing Documents of the relevant Client) of such Client's allocable share of any origination or other transaction fees (including commitment, closing, amendment, waiver, directors', topping, organizational, break-up, monitoring, exit or other disposition fees, or other similar fees in respect of such Client's purchase, monitoring or disposition of an investment or prospective investment by such Client (collectively, "**Other Fees**")) received by Blackstone Credit for transactions effected for such Client's account. The receipt of Other Fees creates a conflict of interest as between the Registrant and the Client because the Client will not benefit from such Other Fees except to the extent such Other Fees offset the Client's management fee. Due to waived or reduced management fees and/or the timing of receipt of compensation subject to offsets, Client investors may not receive the full benefit of reductions or offsets (*e.g.*, during periods when the Registrant no longer receives management fees, and receives compensation that would otherwise be subject to offset, the Registrant, depending on certain elections that may be made by Client investors, may be entitled to retain such compensation without remitting any such amounts to the applicable Client or its investments).

Subject to the applicable Offering and/or Governing Documents, each Client will generally be responsible for such Client's organizational expenses, including, without limitation, legal, accounting, filing, capital raising, marketing, advertising and wholesaling and other organizational expenses, as well as organizational expenses of any related investment vehicles and any parallel funds. However, in the case where a Client engages a placement agent (which may be either affiliated with the Registrant or an unaffiliated third party) to market and sell interests or shares in such Client to prospective investors, to the extent placement agent fees are paid by such Client, the management fees payable by such Client are expected to be reduced dollar-for-dollar by the amount of such placement agent fees paid, as set forth in such Client's Offering and/or Governing Documents.

## **Exceptions to Management Fee Offset**

The Registrant and its personnel will receive certain intangible and/or other benefits, rebates and/or discounts and/or perquisites arising or resulting from their activities on behalf of the Clients, which will not offset or reduce management fees or otherwise be shared with the Clients, investors and/or portfolio companies. For example, airline travel or hotel stays incurred as Client expenses will typically result in “miles” or “points” or credit in loyalty/status programs, and such benefits and/or amounts will, whether or not de minimis or difficult to value, inure exclusively to the Registrant and/or such personnel (and not the Clients and/or portfolio companies) even though the cost of the underlying service is borne by the Clients and/or portfolio companies. The Registrant, its personnel, and other related persons in certain instances also receive discounts on products and services provided by portfolio companies and/or customers or suppliers of such portfolio companies. Such other benefits or fees will give rise to conflicts of interest in connection with the Clients’ investment activities, as they may tend to incentivize the Registrant and its personnel to conduct certain activities in order to obtain such benefits, though such benefits do not correspondingly benefit Clients. While the General Partner and the Registrant will seek to resolve any such conflicts in a fair and equitable manner, there is no assurance that any such conflicts will be resolved in favor of the Clients. See also “Service Providers and Counterparties” and “Issuer Relationships” in **Item 10 – Other Financial Industry Activities and Affiliations**.

Certain personnel of Blackstone and its affiliates, including consultants, will, in certain circumstances, be seconded to one or more portfolio companies, vendors, service providers and vendors or investors of Clients and Other Clients to provide services, including the sourcing of investments for Clients or other parties. The salaries, benefits, overhead and other similar expenses for such personnel during the secondment could be borne by Blackstone and its affiliates or the organization (including a portfolio company) for which the personnel are working, or both. To the extent seconded to a portfolio company, the Client will indirectly bear the costs. The management fee payable by a Client will not be offset or reduced as a result of these arrangements or any fees, expense reimbursements or other costs related thereto (even if the compensation and/or overhead costs Blackstone bears with respect to any person is reduced or eliminated during any such secondment or internship) and such fees and reimbursements generally will not be disclosed to investors in such Client. As a result, such arrangements involve a conflict of interest as Blackstone has an incentive to put such arrangements in place to reduce internal expenses. In addition, personnel of portfolio companies, vendors, service providers (including law firms and accounting firms) and investors of Clients and Other Clients will, in certain circumstances, be seconded to, serve internships at or otherwise provide consulting services to, Blackstone, Clients, Other Clients and portfolio companies of Clients and Other Clients. While often Clients, Other Clients and their portfolio companies are the beneficiaries of these types of arrangements, Blackstone is from time to time a beneficiary of these arrangements as well, including in circumstances where the vendor or service provider also provides services to Clients, Other Clients, their portfolio companies or Blackstone in the ordinary course. Blackstone, Clients, Other Clients or their portfolio companies could receive benefits from these arrangements at no cost, or alternatively in certain circumstances pay all or a portion of the fees,



compensation or other expenses in respect of these arrangements. The management fee payable by a Client will not be offset or reduced as a result of Blackstone's receipt of any such benefits. The personnel described above may provide services in respect of multiple matters, including in respect of matters related to Blackstone, Clients, Other Clients, portfolio companies, each of their respective affiliates and related parties, and Blackstone will endeavor in good faith to allocate the costs of these arrangements, if any, to Blackstone, Clients, Other Clients, portfolio companies and other parties based on time spent by the personnel or another methodology Blackstone deems appropriate in a particular circumstance. In such circumstances, a conflict of interest exists because the Registrant or its affiliates have an incentive to select one service provider over another on the basis that the Registrant or its affiliates may receive the benefit of seconded employees from such service provider, particularly where the compensation and expenses for such personnel during the secondment is borne by the service provider and not the Registrant or its affiliates.

Blackstone Credit, on behalf of certain Funds and/or their portfolio companies, enters into agreements regarding group procurement (such as Core Trust, an independent group purchasing organization used by large corporations and private equity firms), benefits management, purchase of title and/or other insurance policies (which may include brokerage and/or placement thereof, and will from time to time be pooled across portfolio companies and discounted due to scale, including through sharing of deductibles and other forms of shared risk retention) from a third party or an affiliate of Blackstone Credit and/or Blackstone, and other operational, administrative or management related initiatives. Blackstone will allocate the cost of these various services and products purchased on a group basis among the relevant Clients, Other Clients and their portfolio companies. Some of these arrangements result in commissions, discounts, rebates or similar payments to Blackstone Credit and/or Blackstone or their affiliates (including personnel), Clients and their portfolio companies, Other Clients and their portfolio companies, including as a result of transactions entered into by a Client and its portfolio companies and/or related to a portion of the savings achieved by the portfolio companies. Such commissions or payment will not be subject to management fee offset provisions. Blackstone and/or Blackstone Credit may also receive consulting or other fees from the parties to these group procurement arrangements. To the extent that a portfolio company of an Other Client is providing such a service, such portfolio company and such Other Client will benefit. Further, the benefits received by a particular portfolio company providing the service may be greater than those received by certain Clients and their portfolio companies receiving the service. Conflicts exist in the allocation of the costs and benefits of these arrangements, as Blackstone Credit's economic benefit may incentivize it to maintain such arrangements and certain Clients may receive greater benefits for the same or lesser cost than other Clients receiving the same service, and Blackstone Credit handles them in its sole discretion. Blackstone Credit and its affiliates receive referral fees in connection with the services provided to the Funds and/or their portfolio companies by Core Trust. These referral fees do not offset management fees payable by investors. See "Service Providers and Counterparties" in **Item 10 – Other Financial Industry Activities and Affiliations** below.

Blackstone Credit or its portfolio companies will also engage and retain certain Blackstone affiliates (including, for example, Equity Healthcare (defined in **Item 10 – Other Financial**

**Industry Activities and Affiliations**)) that will receive fees from the Funds and/or their portfolio companies for providing administrative, management or other services. See “Service Providers and Counterparties” in **Item 10 – Other Financial Industry Activities and Affiliations** below. These fees will be borne by the Funds and will not result in any offset to the management fee payable by a Fund.

The Registrant engages and retains on behalf of the Funds and/or their portfolio companies, strategic advisors, senior advisors, consultants and other similar professionals who are not employees or affiliates of Blackstone and who may, from time to time, receive payments from, or performance-based compensation with respect to, portfolio companies (as well as from Blackstone or the Funds), and such amounts will not offset the management fees payable by the investors. See “Advisors, Consultants and Operating Partners” in **Item 10 – Other Financial Industry Activities and Affiliations** below.

In addition, the Registrant will from time to time receive fees associated with capital invested by co-investors relating to investments in which Clients participate. These fees do not offset management fees payable by Fund investors.

### **Timing of Fee Payments**

Management fees generally are payable monthly or quarterly in arrears, subject to the applicable Offering and/or Governing Documents. The Registrant may elect to defer payment of all or part of the management fee payable by a Client. Management fees payable by a Client are generally deducted from the applicable Fund assets and may be deducted from the Client assets, subject to the applicable Offering and/or Governing Documents. Alternatively, certain Clients will be invoiced for such management fees.

### **Additional Fees and Expenses**

The Offering and/or Governing Documents of each Client provide a description of any additional fees and expenses for which such Client may be responsible in addition to the management fees and any performance-based allocations or fees (see **Item 6 – Performance-Based Fees and Side-By-Side Management** below).

In addition, each Client will typically be responsible for all expenses related to its operation, including all costs and expenses of maintaining the operations of the Client and its investments paid by or on behalf of the Client, including, without limitation:

- (i) all taxes, fees, costs, and expenses, retainers and/or other payments of accountants, legal counsel, advisors (including compensation costs specifically allocated or attributed by the Registrant or its affiliates with respect to in-house attorneys to provide advice and/or services on matters related to potential or actual investments and with respect to CLOs, matters related to (i) the organization and maintenance of issuers, co-issuers and any issuer subsidiaries, (ii) the issuances of CLO notes and documentation relating thereto and (iii) potential or actual investments in CLO collateral obligations and potential or actual investments in the CLO notes), administrators, auditors (including with

respect to any additional auditing required under the Directive 2011/61/EU of the European Parliament and of the Council on Alternative Investment Fund Managers (“AIFMD”), investment bankers, administrative agents, paying agents, depositaries, custodians, trustees, sub-custodians, consultants (including individuals consulted through expert network consulting firms), engineers, senior advisors, industry experts, operating partners, deal sourcers (including personnel dedicated to but not employed by Blackstone Credit or Blackstone), and other professionals (including, for the avoidance of doubt, the costs and charges allocable with respect to the provision of internal legal, tax, accounting, technology or other services and professionals related thereto (including secondees and temporary personnel or consultants that may be engaged on short- or long-term arrangements) as deemed appropriate by the General Partner where such internal personnel perform services that would be paid by a Client if outside service providers provided the same services); fees, costs, and expenses herein include (a) costs, expenses and fees for hours spent by its in-house attorneys and tax advisors that provide transactional legal advice and/or services to a Client or its portfolio companies on matters related to potential or actual investments and transactions and the ongoing operations of such Client and (b) expenses and fees to provide administrative and accounting services to a Client or its portfolio companies, and expenses, charges and/or related costs incurred directly by a Client or Blackstone Credit or its affiliates in connection such services (including overhead related thereto), in each case, (x) that are specifically charged or specifically allocated or attributed by Blackstone Credit or its affiliates to a Client or its portfolio companies and (y) provided that any such amounts shall not be greater than what would be paid to an unaffiliated third party for substantially similar advice and/or services);

- (ii) all fees, costs and expenses associated with a Client’s information, obtaining and maintaining technology (including the costs of any professional service providers), hardware/software, data-related, communication, market data, portfolio management, accounting systems, reporting (which may include internally allocated charges), information service subscriptions and research (including news and quotation equipment and services and including costs allocated by Blackstone’s internal and third-party research group (which are generally based on time spent, assets under management, usage rates, proportionate holdings, or a combination thereof) and expenses and fees (including compensation costs) charged or specifically attributed or allocated by Blackstone Credit and/or its affiliates for data-related services provided to a Client and/or its portfolio companies (including in connection with prospective investments), each including expenses, charges, fees and/or related costs of an internal nature; provided, that any such expenses, charges or related costs shall not be greater than what would be paid to an unaffiliated third party for substantially similar services);
- (iii) all fees, costs and expenses of any loan servicers, asset services (for example, in connection with the management or administration of a pool of assets that may be held directly or indirectly by Clients) and other service providers and of any custodians, lenders, investment banks and other financing sources;

- (iv) all fees, costs and expenses, if any, incurred by or on behalf of a Client in developing, negotiating and structuring prospective or potential investments that are not ultimately made, including, without limitation, any legal, tax, administrative, accounting, travel, meals, accommodations and entertainment, advisory, consulting and printing expenses, reverse termination fees and any liquidated damages, commitment fees that become payable in connection with a proposed investment that is not ultimately made, forfeited deposits or similar payments ("**Broken Deal Expenses**"), to the extent a General Partner or Blackstone Credit does not elect to bear such costs and expenses;
- (v) all fees, expenses, charges and/or related costs incurred in sourcing, discovering, investigating, evaluating, analyzing, developing, negotiating, structuring, acquiring, trading (including trading errors), hedging, settling, monitoring, holding and disposing of prospective, actual or potentially unconsummated investments or investment strategies including, without limitation, any financing, legal, filing, auditing, tax, accounting, compliance, loan administration, travel, meals, accommodations and entertainment, advisory, consulting, engineering, data-related, and other professional fees, costs and expenses in connection therewith (to the extent a General Partner or Blackstone Credit is not reimbursed by a prospective or actual portfolio company or other third parties or capitalized as part of the acquisition price of the transaction) and any fees, costs and expenses related to the organization or maintenance of any vehicle through which a Client or any investor directly or indirectly participates in the acquisition, holding and/or disposition of investments or which otherwise facilitate a Client's investment activities, including without limitation any travel and accommodations expenses related to such vehicle and the salary and benefits of any personnel (including personnel of Blackstone Credit or its affiliates) reasonably necessary and/or advisable for the maintenance and operation of such vehicle, or other overhead expenses (including any fees, costs and expenses associated with the leasing of office space (which may be made with one or more affiliates of Blackstone as lessor)) in connection therewith;
- (vi) all brokerage costs, hedging costs, prime brokerage fees, transfer agent fees, recordkeeping and other administrative fees and expenses, custodial expenses, clearing and settling charges, agent bank and other bank service fees, private placement fees, syndication fees, solicitation fees, arranger fees, commissions, pricing and valuation fees (including, without limitation, appraisal fees), ratings service fees, origination fees, commitment fees and underwriting costs, collateral management fees, facility fees, float fees or other similar fees, interest expenses, transaction fees, breakup fees, costs and expenses of any lenders, investment banks and other financing sources, and other investment costs, fees and expenses actually incurred in connection with evaluating, making, holding, settling, clearing, monitoring or disposing of actual investments (including, without limitation, travel, meals, accommodations and entertainment expenses, and any expenses related to attending trade association and/or industry meetings, conferences or similar meetings, any costs or expenses relating to currency conversion in the case of investments denominated in a currency other than U.S. dollars) and expenses arising out of trade settlements (including any delayed compensation expenses);

- (vii) interest and fees and expenses arising out of all borrowings, guarantees and other financings (including, without limitation, any credit facility, letter of credit, or other credit support) or derivative transactions (including interest, fees and related legal expenses) made or entered into by a Client, including, but not limited to, the arranging thereof and related legal expenses (including legal costs associated with reviewing financing documents and agreements, whether on behalf of a portfolio company borrower or a lender);
- (viii) all fees, costs and expenses of any litigation, arbitration or audit involving a Client, any vehicle or a portfolio company and the amount of any judgments, assessments, fines, remediations or settlements paid in connection therewith, directors and officers, liability or other insurance (including costs of title insurance) and indemnification (including advancement of any fees, costs or expenses to persons entitled to indemnification) or extraordinary expense or liability relating to the affairs of a Client;
- (ix) all fees, costs and expenses of liquidating a Client and liquidating its assets;
- (x) all fees, costs and expenses associated with the preparation and issuance of a Client's periodic reports and related statements (*e.g.*, financial statements, tax returns and, if applicable, Schedules K-1 and Forms 200), as well as the tax matters partner (or partnership representative) representation of such Client or its investors, and other internal and third-party printing (including a flat service fee), publishing (including time spent performing such printing and publishing services) and reporting (including Form 200s) related expenses (including other notices and communications) in respect of a Client and its activities (including internal expenses, charges and/or related costs incurred, charged or specifically attributed or allocated by a Client, Blackstone Credit or their affiliates in connection with such provision of services thereby);
- (xi) any taxes and/or tax-related interest, fees or other governmental charges (including any penalties incurred where Blackstone Credit lacks sufficient information from third parties to file a timely and complete tax return) levied against or payable by a Client or its subsidiaries and all expenses incurred in connection with any tax audit, investigation, litigation, settlement or review of a Client and the amount of any judgments, fines, remediation or settlements paid in connection therewith;
- (xii) expenses of (a) an investor advisory committee (including, for the avoidance of doubt, travel, meals, accommodations, entertainment and other similar expenses in connection with any meetings of the investor advisory committee and the fees, expenses and costs of any legal counsel or other professionals retained by, or at the direction or for the benefit of, the investor advisory committee), (b) the independent client representative (if appointed), provided, that any fees and expenses of the independent client representative shall be specially allocated to certain investors, (c) third party advisory committees of a Client, (d) board of directors meetings, including directors' fees and (e) any meetings with one or more investors or potential investors (including travel, meals, accommodations, entertainment and other similar expenses but excluding expenses of individual investors);
- (xiii) expenses relating to U.S. Freedom of Information Act requests, all fees, costs and expenses related to compliance-related matters (such as developing and

implementing specific policies and procedures in order to comply with certain regulatory requirements) and regulatory filings related to a Client's activities (including, without limitation, expenses relating to the preparation and filing of Form PF, filings required under the U.S. Securities Act of 1933, TIC Form SLT filings, Internal Revenue Service filings under the Foreign Account Tax Compliance Act provisions of the Code and related U.S. Treasury guidance and annual Report of Foreign Bank and Financial Accounts reporting requirements applicable to a Client, or reports to be filed with the U.S. Commodity Futures Trading Commission ("CFTC"), reports, disclosures, filings and notifications prepared in connection with the laws and/or regulations of jurisdictions in which a Client engages in activities, including any notices, reports and/or filings required under the AIFMD, European Securities and Markets Authority and any related regulations, and other regulatory filings, notices or disclosures of Blackstone Credit and its affiliates relating to a Client and its activities) and/or other regulatory filings, notices or disclosures of Blackstone Credit and its affiliates relating to a Client and its activities, including those pursuant to disclosure laws, but excluding, for the avoidance of doubt, any expenses incurred for general compliance and regulatory matters that are not related to a Client and its activities (*e.g.*, excluding expenses of preparing the Registrant's Form ADV under the Advisers Act);

- (xiv) valuation costs (including expenses incurred in connection with services performed by any independent valuation advisor);
- (xv) travel and entertainment expenses in connection with the Clients' investment activities (including first class and/or business class airfare (and/or private charter, where appropriate), first class lodging, ground transportation, travel and premium meals (including closing dinners and mementos), cars and meals (outside normal business hours), social and entertainment events with portfolio company management, customers, clients, borrowers, brokers and service providers, and attendance at conferences in connection with the evaluation of investments). Most staff out-of-pocket travel expenses in connection with the Clients' transactions are treated as Client expenses, subject to the terms of the applicable Offering and/or Governing Documents;
- (xvi) any expenses incurred in connection with due diligence visits by a General Partner to third party service providers (including fund administrators), visits by Blackstone Credit to any investor or visits by any investor to any portfolio companies (which may include expenses for first class or business class travel, meals, and lodging);
- (xvii) fees, costs and expenses related to a default or transfer of an interest by an investor in a Client (and admission of a substitute investor) or a permitted withdrawal of an investor (but only to the extent not paid or otherwise borne by the transferring investor and/or the assignee or the withdrawing investor, as applicable); and
- (xviii) costs and expenses associated with operating Luxembourg entities formed in connection with a Client's activities (including the alternative investment fund manager thereof and the salary and compensation of its personnel) and costs and expenses (including airfare and lodging) of the meetings of officers, managers,

directors, general partners or managing members of such entities (including the Luxembourg Client).

Each Client will also typically bear any extraordinary expenses it may incur, including any litigation, arbitration, audit or settlement expenses involving the Client, any investment or entities in which it has an investment or otherwise relates to such investment and the amount of any judgments, assessments, fines, remediation or settlements paid in connection therewith. Service providers (including affiliates of a General Partner) will be retained for such purposes. In addition, a Client will bear any expenses incurred in connection with due diligence visits by its General Partner to third party service providers (including fund administrators), by such General Partner or any investor to any portfolio company or portfolio assets as well as visits by such General Partner to any investor. Each Client will bear the start-up, wind-down and liquidation expenses related to portfolio company service providers owned by such Client, or an allocation of such expenses related to portfolio company service providers used by such Client and owned by Other Clients. In addition, certain Clients invest in pooled investment vehicles, including registered investment companies (each, an “**Underlying Fund**”). Certain Underlying Funds are advised by affiliates of the Registrant. In such a case, and subject to applicable Offering and/or Governing Documents, the Client would in certain cases bear not only the direct management fees, performance allocations and other expenses payable to the Registrant and its affiliates, but also its share of the expenses and fees associated with the investment in the Underlying Fund, which in the case of Underlying Funds advised by affiliates of the Registrant involves expenses and fees payable to such affiliates. Accordingly, the Registrant has an incentive to cause a Client to invest in an Underlying Fund advised by an affiliate of the Registrant, as such affiliates typically receive fees relating to such allocation and the Registrant will have a direct or indirect financial interest in the success of such affiliate. Additionally, the interests of the Client, as an investor, may conflict with the interests of the Underlying Fund or the affiliates of the Registrant in their capacity as service providers to the Underlying Fund, which would create a conflict of interest for the Registrant. While often such fees and expenses are offset in accordance with Client documents, Clients or investors in a Client could be, subject to applicable Offering and/or Governing Documents, charged by both the Underlying Fund and Blackstone Credit. The valuation of a Client’s investment in an Underlying Fund in many cases will be based on information provided by the managers of the Underlying Funds, which in certain cases are third parties. Certain securities in which the Underlying Funds invest may not have a readily ascertainable market price and will be valued by the managers of the Underlying Funds or their administrators. In addition, typically Clients do not control managers of the Underlying Funds, their choice of investments, or any other of their investment decisions in a Client.

The foregoing categories of fees and expenses will be borne by such Client regardless of whether the person or entity providing or performing the service or product giving rise to such fees and expenses is the Registrant, any of its affiliates or an unaffiliated third party. See also “Blackstone Europe” in **Item 10 – Other Financial Industry Activities and Affiliations**.

For certain Clients, the Registrant also is typically permitted to charge back a portion of the cost of overhead expenses attributable to the management of or operations related to such

Clients, subject to any limitations set forth in such Clients' Offering and/or Governing Documents (see also "Issuer Relationships" in **Item 10 – Other Financial Industry Activities and Affiliations**). For example, with respect to a Client that is administered by the Registrant or an affiliated entity, such Client may be responsible for fees and expenses charged or specifically allocated by the Registrant or such affiliated entity to provide administrative services to such Client. Any such fees and expenses will not be greater than what would be paid to an unaffiliated third party for substantially similar services as determined by the Registrant and may be subject to other limits set forth in the Offering and/or Governing Documents of the relevant Client, and such fees and expenses will not offset or reduce management fees or otherwise be shared with the Clients, investors and/or portfolio companies.

Investors in a Fund are typically allocated (or otherwise bear) their respective *pro rata* shares of such fees and expenses, which may be calculated based on capital commitments, invested capital, available capital or other metrics as determined by the relevant General Partner in its sole discretion. From time to time, the General Partner will be required to decide whether costs and expenses are to be borne by such Fund, on the one hand, or the General Partner and the Registrant or Other Clients, on the other hand, and/or whether certain costs and expenses should be allocated between or among such Fund, on the one hand, and the Other Clients on the other. Certain expenses may be suitable for only a particular Fund, other Funds and/or participating Other Client and allocated to and borne by such entities. To the extent that any fees and expenses related to a specific investment were incurred on behalf of more than one Client, each Client will generally bear its *pro rata* portion of any such fees and expenses based on such Client's percentage interest in such investment (subject to each Client's Offering and/or Governing Documents), or in such other manner as Blackstone Credit considers fair and equitable. The General Partner will make such judgments in its fair and reasonable discretion, notwithstanding its interest in the outcome, and may make corrective allocations should it determine that such corrections are necessary or advisable. A different manner of allocation would likely result in a Fund bearing less (or more) expenses. Travel and entertainment expenses in connection with a trip taken by employees of the Registrant and/or the relevant General Partner for purposes of multiple matters will generally be allocated to each such matter in a manner determined by the General Partner to be fair and equitable and then the resulting expenses will be allocated to the applicable Fund, Other Clients and/or the Registrant.

The Registrant has adopted a policy regarding the manner in which the Registrant allocates Broken Deal Expenses. Pursuant to the Registrant's broken deal expense allocation policy, Broken Deal Expenses will be allocated in accordance with the written allocation determination for the subject investment, if applicable. Alternatively, where no such allocation determination has been made (such investment, an "**Unallocated Investment**"), Broken Deal Expenses will be allocated among one or more Clients based on the Registrant's assessment, in its discretion, of the likely allocation of the applicable investment, including the relative likelihood that the applicable investment could have been allocated to such Clients, even if such Clients could not have co-invested with respect to such investment, taking into account the information available to the Registrant at the time the Registrant determines that such investment will not be consummated, or in such other manner as the Registrant considers fair and equitable. While this assessment is unavoidably speculative in



nature, the Registrant will exercise good faith in making such allocations. In general, allocations of Broken Deal Expenses are expected to be made consistently with the foregoing, regardless of whether Client consent was sought or received or whether Clients had been given the opportunity to opt in or out of an investment in those cases where Clients have investment consent or opt out rights, respectively, subject to the relevant Clients' organizational documents.

Where an Unallocated Investment may have multiple co-investing parties, including Blackstone Credit Primary Clients (as defined below in **Item 12 – Brokerage Practices**), Blackstone Credit Overflow Clients (as defined below in **Item 12 – Brokerage Practices**), and potential co-investors (limited partners or otherwise), Broken Deal Expenses generally will not be allocated to a prospective participant if there is a possibility that such prospective participant would not have been allocated a portion of the investment to which such expenses relate. As a result, certain Blackstone Credit Overflow Clients and potential co-investors (limited partners or otherwise) will in certain cases not bear any portion of Broken Deal Expenses that, had the investment been consummated, may have been attributable to such Blackstone Credit Overflow Clients' or potential co-investors' (limited partners or otherwise) respective *pro rata* shares of the investment. Consequently, a Client will in certain cases be expected to bear more Broken Deal Expenses than its *pro rata* share of such expenses would have been had the investment been made.

No Client is required to pay any fees in advance.

No employee of the Registrant accepts, or otherwise directly receives, any compensation for the sale of securities or other investment products.

## Item 6: Performance-Based Fees and Side-By-Side Management

In addition to the management fees and other fees described in **Item 5 – Fees and Compensation** above, the Registrant or one of the General Partners, in accordance with the relevant Offering and/or Governing Documents of each Client, will typically receive a performance-based allocation or fee of up to 20% of each Client’s profits, subject in certain but not all cases to a loss carryforward provision or clawback provision, as applicable. Performance-based allocations or fees will typically be based on either realized or unrealized profits attributable to a Client, and all performance-based allocations for Clients will be disclosed in the relevant Offering and/or Governing Documents of each Client.

While the policy of the Registrant is that its performance-based allocations or fees are not negotiable, the Registrant reserves the right to waive or reduce such allocations or fees for certain investors. However, in no circumstance will the Registrant cause the allocation or fee to be increased for one investor as the result of the waiving or reduction of such allocations or fees for another investor. For example, certain Blackstone Credit Investors in Clients do not bear any performance-based allocation or fee, and that fact does not impact the allocations or fees borne by other investors.

Note that the existence of a performance-based allocation or fee will generally incentivize the Registrant to manage a Client’s assets in a manner that is more aggressive than it would in the absence of such allocation or fee. Further, the existence of differing performance-based allocations or fees for Clients of the Registrant or its affiliates trading side-by-side will create a conflict of interest for the Registrant and its affiliates with respect to the allocation of investment opportunities because it may incentivize the Registrant to allocate investment opportunities that may be appropriate for multiple Clients to those Clients who pay performance-based allocations or fees at higher rates (or from which the Registrant or its affiliate is more likely to receive a performance-based allocation). However, the Registrant manages each Client’s assets in accordance with the investment strategy disclosed in each Client’s Offering and/or Governing Documents to help confirm that investors are aware of the investment strategy and the risks associated with such strategy. Blackstone Credit also has an investment allocation policy (see **Item 16 – Investment Discretion**) that addresses this conflict of interest. In addition, the significant commitment by the Registrant and its affiliates to invest in Clients (such amount, the “**Firm Commitment**”), the relevant General Partner’s clawback provisions, where applicable, and the fact that the preferred return is calculated on an aggregate basis should tend to reduce the incentive to make riskier or more speculative investments or otherwise time the sale of investments in a manner motivated by the personal interests of the Registrant personnel. In connection therewith, the clawback obligation of the General Partner, where applicable, raises a conflict of interest as it creates an incentive for the General Partner to defer the disposition of one or more investments if such disposition would result in a realized loss, a return on investment that was less than the preferred return and/or the finalization of dissolution and liquidation of a Fund where a clawback obligation would be owed.

As described in the respective Offering and/or Governing Documents of each Client, performance-based allocations or fees are generally allocated or paid, as the case may be,

either at the end of each fiscal year or upon the making of any distribution to investors to which a performance-based allocation or fee relates.

## Item 7: Types of Clients

Blackstone Credit generally provides its services and markets its Funds and Managed Accounts to a limited number of sophisticated investors, namely institutional investors and high-net worth individual investors capable of understanding the risks of their investments, including the following types of investors:

- Banks and other financial institutions
- Insurance companies
- Investment companies
- Public and private retirement and pension plans
- Public and private profit sharing plans
- Trusts and estates
- Charitable organizations
- State and municipal government agencies
- Sovereign wealth funds
- Hedge funds and funds of funds
- High net worth individuals
- Corporations
- Business entities other than those listed above

Blackstone Credit (a) must have a reasonable belief that potential investors invited to participate in Funds or other products meet certain eligibility requirements and (b) in each case must satisfy certain compliance procedures (including anti-money laundering procedures), prior to accepting any subscription or investment amount. In addition, any separate maintenance or other investment-related provisions (*e.g.*, minimum account sizes, minimum fee amounts, *etc.*) will be provided in the Offering and/or Governing Documents of each Fund or Managed Account, which are made available to each potential investor prior to investment.

Blackstone Credit also provides its services to registered investment companies (or Adviser Clients who, in turn, provide services to registered investment companies) that are marketed to retail investors.

## **Item 8: Methods of Analysis, Investment Strategies and Risk of Loss**

The Registrant's investment process for evaluating potential opportunities and investments may include a variety of proprietary and non-proprietary research models and methods of analyses, and a variety of both internal and external resources, such as financial newspapers and magazines, research, and reports provided by third parties and corporate ratings services. In addition, the Registrant generally conducts an in-depth review of the target companies/ investments, tailored to the target and type of potential investment the Registrant is considering. Such reviews may include, without limitation, (i) analyses of corporate activities and financials, (ii) reviews of annual reports, prospectuses and other filings with the SEC, if any, and (iii) where appropriate, interviews and meetings with senior management of potential target companies.

Generally, the Registrant seeks to capitalize on both long- and short-term inefficiencies in the market by investing across a spectrum of products, often employing a bottom-up analysis, utilizing market technical and fundamental analyses to select investments. There may be occasions when (consistent with applicable Client guidelines), the strategy may be weighted to deep value or be more opportunistic and seek short term gains. The types of investments pursued by a particular Fund or Managed Account may be customized based on Client guidelines.

The specific investment strategy and corresponding method of analysis for each Client will be specified in the Offering and/or Governing Documents of such Client. A brief description of certain investment strategies employed by Blackstone Credit or the Registrant is provided below.

Senior Direct Lending – seeks to source and provide privately originated investments with the goal of delivering attractive risk-adjusted returns with strong downside protection, while generating current income through primarily stable, performing credit investments. The strategy intends to focus on investments that are senior in the capital structure and typically secured, with a majority of the assets expected to be floating rate instruments.

Mezzanine Strategy – seeks to source and provide privately originated investments in the leveraged finance marketplace with an emphasis on providing junior capital to companies in connection with leveraged buyouts, acquisitions, recapitalizations and growth financings. Due to the mezzanine strategy's focus on providing junior capital, this strategy tends to entail greater risk than the senior direct lending strategy referenced above.

Capital Solutions Strategy – seeks to provide privately negotiated capital solutions to companies in need of liquidity or capital structure transformation due to, among other things, pending covenant violations, debt maturities, market dislocation, cyclical downturns in their businesses or other funding requirements.

Event Driven Strategy – seeks to generate attractive risk-adjusted returns by investing primarily in a broad array of securities generally within the traded corporate credit market. The Registrant may invest in both public and private non-investment grade and non-rated

securities, including leveraged loans, high yield bonds, distressed securities, common and preferred equity securities, and credit derivatives. The Registrant offers exposure to this strategy in a hedged, liquid and less concentrated form, or in an unhedged and more concentrated form, often with less liquidity and greater potential risk.

Energy – seeks to generate attractive risk-adjusted returns by originating and investing in transactions in the energy sector and various energy sub-sectors across the capital structure, primarily in secured and unsecured debt and preferred equity. The various energy sub-sectors in which investments will be targeted will include, but not be limited to, exploration and production of oil and natural gas, coal, midstream, energy services, refining and marketing, power generation and other commodity-driven sectors.

Liquid Credit Strategies (“LCS”) – seeks to invest in diversified (often leveraged) portfolios of fixed income investments, including first lien senior secured loans, high yield bonds and investment-grade and non-investment grade corporate credit.

Structured Products Group – provides investment advisory services to Managed Accounts or arrangements formed to offer investment solutions for insurance companies and other financial institutions, and seeks to allocate capital to investment opportunities among both private lending and public securitized assets.

Customized Portfolios – manage customized individual portfolios for select large institutional clients that may invest in any combination of these strategies or others.

**Prospective investors are advised to review the applicable Fund offering materials for a more extensive description of the risks of investing in Clients.**

An investment in a Fund or a Managed Account entails a significant degree of risk and therefore should be undertaken only by investors capable of evaluating the risks associated with an investment in such Client and bearing the risks such investment represents. The Offering and/or Governing Documents of such Client will contain detailed descriptions of certain of the risks associated with an investment in such Client. Below are a few of the key risks associated with such investments (some of which may not apply to a particular investment):

1. Loss of all or part of investment
2. No assurance of investment return
3. No established market for potential investments exists
4. Changes in legal, fiscal and regulatory regimes
5. Lack of investment liquidity and liquidity of Client interests
6. Litigation risk
7. Highly competitive market for investment opportunities
8. Technological and commercial innovation disrupting expected methods of conducting business
9. Sharing and use of “big data” and other information
10. Inability to deploy capital in conjunction with finding suitable investments
11. Inability to implement a Client’s investment strategy

12. Portfolio concentration
13. Reliance on the Registrant, certain of its professionals and employees and its operational systems, and reliance on placement agents
14. Policies and procedures of the Registrant to mitigate conflicts of interest and address regulatory and/or contractual requirements, which may reduce the synergies across Blackstone's and Blackstone Credit's various businesses and reduce investment opportunities for Clients
15. Misconduct of employees and of third party service providers
16. General economic and market volatility
17. Nature of debt and credit investments, including credit securities, senior debt, mezzanine debt, distressed investments and restructurings, including non-performing debt instruments, loans and participations
18. Risks related to bankruptcy and other proceedings
19. Nature of equity or equity-related investments, including publicly-traded investments
20. Risks arising from real estate investments
21. Nature of private equity investments
22. Risk of under/overvaluation
23. Risks related to use of leverage by certain Clients (including use of subscription lines and asset-backed facilities)
24. Lack of diversification and limited number of investments
25. Non-controlling investments and/or investments with third parties in joint ventures and other entities
26. Non-U.S. investments, including currency fluctuation and exchange controls, economic regulation and political factors, and investments in emerging markets
27. Risks related to the Committee on Foreign Investment in the United States
28. Cybersecurity breaches, identity theft and risks associated with electronic delivery of documents
29. Operational risks of Clients
30. Nature of hedging or derivative instruments and counterparty trading relationships including counterparty risk
31. Unspecified investments
32. Operating and financial risks of portfolio companies
33. Valuation matters (see "Valuation Matters" in **Item 10 – Other Financial Industry Activities and Affiliations** for more information)
34. Taxation risks, including tax adjustments, phantom income, limitations on deduction of business interest and tax reporting considerations
35. Risks arising from ERISA including potential control group liability and the "prohibited transaction" rules
36. Cross incurrence of indebtedness or guarantees on a several, joint and several or cross collateralized basis (see "Investments in Portfolio Companies Alongside Other Clients" in **Item 12 – Brokerage Practices** for more information)
37. Cross collateralization of investments (see "Investments in Portfolio Companies Alongside Other Clients" in **Item 12 – Brokerage Practices** for more information)
38. CFTC registration requirements, compliance with the AIFMD, compliance with pay-to-play laws and with the laws of other jurisdictions where the Clients are marketed
39. Restrictions on transfers of investor interests under the applicable Offering and/or Governing Documents and/or the securities laws and lack of a public market

- 40. Restrictions on redemptions and withdrawals with respect to open-ended Clients
- 41. Enhanced scrutiny and potential regulation of the private investment fund industry and the financial services industry (including the Dodd-Frank Wall Street Reform Act)

**Prospective investors are advised to review the applicable Fund's offering documents for a more extensive description of the applicable investment strategies and the risks of investing in the Funds.**

The debt and equity markets fluctuate substantially over time, and performance of any investment is not guaranteed. Clients and investors should also be aware that investments that the Registrant believes are likely to generate higher returns are generally accompanied by greater risk and volatility. There is a risk of loss of the assets that the Registrant manages that is out of the Registrant's control. The Registrant cannot guarantee any level of performance or that investors in the Clients will not experience a substantial or complete loss of their account assets. There is no assurance that the Funds or Managed Accounts will be able to generate returns or that the returns will be commensurate with the risks inherent in their investment strategy. Both the ability to realize investments and the value of investments (regardless of whether realized) will depend upon many factors beyond the control of the Clients or the Registrant. The expenses of the Clients may exceed their income, and an investor in a Client could lose the entire amount of its contributed capital. Therefore, an investor should invest in a Fund or Managed Account only if the investor can withstand a total loss of its investment. The past investment performance of a Fund or Managed Account cannot be taken to guarantee future results or performance of a Fund or Managed Account or any investment by or in a Fund or Managed Account.

Epidemics/Pandemics. Certain countries have been susceptible to epidemics or pandemics, most recently a novel and highly contagious form of coronavirus ("COVID-19"). The outbreak of such epidemics or pandemics, together with any resulting restrictions on travel or quarantines imposed, has had and will continue to have a negative impact on the economy and business activity globally (including in the countries in which Clients invest), and thereby is expected to adversely affect the performance of Clients' investments. Furthermore, the rapid development of epidemics or pandemics could preclude prediction as to their ultimate adverse impact on economic and market conditions, and, as a result, presents material uncertainty and risk with respect to the Clients and the performance of their investments or operations, and the ability of Clients to achieve investment objectives.

Coronavirus and Public Health Emergencies. There is currently an outbreak of COVID-19, which the World Health Organization has declared to constitute a "Public Health Emergency of International Concern." The outbreak of COVID-19 has resulted in numerous deaths, adversely impacted global commercial activity and contributed to significant volatility in certain equity, debt, derivatives and commodities markets. The global impact of the outbreak is rapidly evolving, and many countries have reacted by instituting (or strongly encouraging) quarantines, prohibitions on travel, the closure of offices, businesses, schools, retail stores, restaurants, hotels, courts and other public venues, and other restrictive measures designed to help slow the spread of COVID-19. Businesses are also implementing similar precautionary measures. In addition, state, federal and non-U.S. laws and regulations have been implemented (and other laws and regulations are being considered) that place



restrictions on lenders and landlords in the real estate sector and other industries from exercising certain of their rights in the event of borrower or tenant defaults or delinquencies, including with respect to foreclosure and eviction rights. For example, certain jurisdictions have implemented debt payment relief packages or suspended the enforcement of residential and commercial evictions. Countries across Europe have also instituted similar protections, including residential and commercial protections for non-payment of rent, payment holidays and increased notice periods prior to evictions. Such measures, as well as the general uncertainty surrounding the dangers and impact of COVID-19, are (i) expected to have a material adverse impact on tenants, real estate lenders and commercial property owners, (ii) creating significant disruption in supply chains and economic activity and (iii) having a particularly adverse impact on transportation, hospitality, tourism, entertainment and other industries. Moreover, with the continued spread of COVID-19, governments and businesses are likely to take increasingly aggressive measures to help slow its spread. For this reason, among others, as COVID-19 continues to spread, the potential impacts, including a global, regional or other economic recession, are increasingly uncertain and difficult to assess.

Any public health emergency, including any outbreak of COVID-19, SARS, H1N1/09 flu, avian flu, other coronavirus, Ebola or other existing or new epidemic diseases, or the threat thereof, could have a significant adverse impact on the Partnership and its Portfolio Entities and could adversely affect the Partnership's ability to fulfill its investment objectives. See also "Epidemics/Pandemics" above.

The extent of the impact of any public health emergency on Clients and their portfolio companies' operational and financial performance will depend on many factors, including the duration and scope of such public health emergency, the extent of any related travel advisories and restrictions implemented, in addition to restrictions implemented to protect borrowers in the real estate and other industries, the impact of such public health emergency on overall supply and demand, goods and services, investor liquidity, consumer confidence and spending levels, and levels of economic activity and the extent of its disruption to important global, regional and local supply chains and economic markets, all of which are highly uncertain and cannot be predicted. The effects of a public health emergency may materially and adversely impact the value and performance of Client portfolio companies, the ability to source, manage and divest Client investments and the ability to achieve Client investment objectives, all of which could result in significant losses to the Client. In particular, a public health emergency may have a greater impact on leveraged assets. See also "Use of Leverage" herein.

In addition, the operations of Clients, their portfolio companies, and their sponsors may be significantly impacted, or even temporarily or permanently halted, as a result of government quarantine measures, voluntary and precautionary restrictions on travel or meetings and other factors related to a public health emergency, including its potential adverse impact on the health of the personnel of any such entity or the personnel of any such entity's key service providers. See also "Epidemics/Pandemics" above.

Risks Related to LIBOR. On July 27, 2017, the FCA announced that it would phase out LIBOR as a benchmark by the end of 2021. It is unclear whether new methods of calculating LIBOR

will be established such that it continues to exist after 2021. The administrator of LIBOR has announced it will consult on its intention to cease the publication of the one week and two month LIBOR settings immediately following the LIBOR publication on December 31, 2021, and the remaining USD LIBOR settings immediately following the LIBOR publication on June 30, 2023. The FRS, Office of the Comptroller of the Currency, and Federal Deposit Insurance Corporation have issued guidance encouraging market participants to adopt alternatives to LIBOR in new contracts as soon as practicable and no later than December 31, 2021, and the FCA has indicated that market participants should not rely on LIBOR being available after 2021. As an alternative to LIBOR, for example, the FRS, in conjunction with the Alternative Reference Rates Committee, a steering committee comprised of large U.S. financial institutions, is considering replacing U.S.-dollar LIBOR with SOFR, a new index calculated by short-term repurchase agreements, backed by Treasury securities. Abandonment of or modifications to LIBOR could have adverse impacts on newly issued financial instruments and Blackstone Credit's existing financial instruments which reference LIBOR. While some instruments may contemplate a scenario where LIBOR is no longer available by providing for an alternative rate setting methodology, not all instruments may have such provisions and there is significant uncertainty regarding the effectiveness of any such alternative methodologies. Abandonment of or modifications to LIBOR could lead to significant short-term and long-term uncertainty and market instability. Uncertainty as to the nature of alternative reference rates and as to potential changes or other reforms to LIBOR, or any changes announced with respect to such reforms, may result in a sudden or prolonged increase or decrease in the reported LIBOR rates and the value of LIBOR-based loans and securities, including those of other issuers Blackstone Credit or its Clients currently own or may in the future own. It remains uncertain how such changes would be implemented and the effects such changes would have on Blackstone Credit, issuers of instruments in which Blackstone Credit invests and financial markets generally. In addition, from time to time Blackstone Credit invests in fixed or floating rate loans and other financial instruments investment securities whose interest rates or other terms are based on LIBOR. If LIBOR ceases to exist, Blackstone Credit, certain Clients and their underlying obligors issuers in which such Clients invest may need to amend or restructure such loans or Blackstone Credit's existing LIBOR-based debt other financial instruments and any related hedging arrangements that extend beyond December 31, 2021, or June 30, 2023, depending on the applicable LIBOR tenor and pending the outcome of the LIBOR administrator's consultation. Such amendments and restructurings may be difficult, costly and time consuming, and there can be no assurance that such amendments and restructurings will be completed or, if completed, will be completed on terms that are more advantageous to a Client than were in effect prior to such amendment or restructuring (including terms not related to LIBOR discontinuation).

The expected discontinuation of LIBOR could have a significant impact on Blackstone Credit's business. There could be significant operational challenges for the transition away from LIBOR including, but not limited to, the potentially time-consuming process of amending the agreements governing investments held by Blackstone Credit Clients that may not prescribe alternative rate-setting methodologies or where such agreements contemplate LIBOR discontinuation but do not set forth a specific alternative interest rate. Beyond these challenges, Blackstone Credit anticipates there may be additional risks to its current processes and information systems that will need to be identified and evaluated by

Blackstone Credit. Due to the uncertainty of the replacement for LIBOR, the potential effect of any such event on Blackstone Credit's cost of capital and net investment income cannot yet be determined. In addition, the cessation of LIBOR could:

- Adversely impact the pricing, liquidity, value of, return on and trading for a broad array of financial products, including any LIBOR-linked securities, loans and derivatives that may be included in Blackstone Credit's or its Clients' assets and liabilities;
- Result in inquiries or other actions from regulators in respect of Blackstone Credit's preparation and readiness for the replacement of LIBOR with one or more alternative reference rates;
- Result in disputes, litigation or other actions with certain portfolio companies and/or certain Clients' underlying obligors (as applicable), or other counterparties, regarding the interpretation and enforceability of provisions in Blackstone Credit's LIBOR-based investments, such as language prescribing alternative rate-setting methodologies or other related provisions, including, in the case of fallbacks to the alternative reference rates, any economic, legal, operational or other impact resulting from the fundamental differences between LIBOR and the various alternative reference rates;
- Require the transition and/or development of appropriate systems and analytics to effectively transition Blackstone Credit's risk management processes from LIBOR-based products to those based on one or more alternative reference rates, which may prove challenging given the limited history of the proposed alternative reference rates; and
- Cause Blackstone Credit to incur additional costs in relation to any of the above factors, which may be borne in whole or in part by the Clients.

Additionally, as Blackstone Credit receives compensation at varying rates, or varying effective rates, from its Clients, Blackstone Credit experiences a conflict of interest because it has an incentive to make determinations regarding replacement benchmark rates that impact multiple Clients in a manner that would increase the overall compensation paid to Blackstone Credit or its affiliates. Blackstone Credit also experiences a conflict of interest in the event the compensation or interest rate paid by a Client (or a Client's investment) to Blackstone Credit or its affiliates is calculated by reference to LIBOR, as Blackstone Credit has an incentive to select a replacement benchmark rate for such calculations that will increase the compensation paid to Blackstone Credit or its affiliates.

There is no guarantee that a transition from LIBOR to an alternative will not result in financial market disruptions, significant increases in benchmark rates, or borrowing costs to borrowers, any of which could have a material adverse effect on Blackstone Credit's business, result of operations and financial condition. In addition, the transition to a successor rate could potentially cause (i) increased volatility or illiquidity in markets for instruments that currently rely on LIBOR, (ii) a reduction in the value of certain instruments held by the Clients, or (iii) reduced effectiveness of related Client transactions, such as hedging. It remains uncertain how such changes would be implemented and the effects such changes would have on the Clients, issuers of instruments in which the Clients invests and financial markets generally.

## **Item 9: Disciplinary Information**

The Registrant does not have any legal, financial or other “disciplinary” events to report. As a registered investment adviser, the Registrant is obligated to disclose any legal disciplinary event that would be material to a Client when evaluating the Registrant’s advisory business or the integrity of its management.

On occasion, in the ordinary course of its business, the Registrant is named as a defendant in legal actions. Although there can be no assurance of the outcome of such legal actions, the Registrant does not believe that any current legal proceeding or claim to which it is a party would individually or in the aggregate materially affect the Registrant and/or its Clients’ results of operations, financial position or cash flows.

Certain regulatory, litigation and other similar matters are disclosed in (i) Blackstone’s and Blackstone Credit’s public filings (including, without limitation, its current, periodic and annual reports on Forms 8-K, 10-Q and 10-K), which may be accessed through the web site of the SEC ([www.sec.gov](http://www.sec.gov)) or Blackstone (<http://ir.blackstone.com/investors/annual-reports-and-sec-filings/default.aspx>), and (ii) materials made available through Blackstone’s online portal related to the Funds and/or certain of its affiliates.

## Item 10: Other Financial Industry Activities and Affiliations

Various potential and actual conflicts of interest arise from the overall advisory, investment and other activities of the Registrant, its affiliates and personnel (each an “**Advisory Affiliate**” and, collectively, the “**Advisory Affiliates**”). The following briefly summarizes some of these conflicts, but is not intended to be an exhaustive list of all such conflicts. Blackstone Credit and Blackstone Credit personnel may in the future engage in further activities that may result in additional conflicts of interest not addressed herein. **Investors are advised to review the applicable Client Offering and/or Governing Documents for a more extensive description of the potential conflicts of interest applicable to each Client.** Any references to Blackstone, Blackstone Credit and the Registrant in this section will be deemed to include their respective affiliates, partners, members, shareholders, officers, directors and employees, where applicable.

If any matter arises that the Registrant determines in its good faith judgment constitutes an actual conflict of interest, the Registrant may take such actions as it determines in good faith may be necessary or appropriate to ameliorate the conflict (and upon taking such actions the Registrant will be relieved of any liability for such conflict to the fullest extent permitted by law and shall be deemed to have satisfied applicable fiduciary duties related thereto to the fullest extent permitted by law). Actions that could be taken by Blackstone Credit to mitigate a conflict include, by way of example and without limitation, (i) obtaining from the limited partner advisory committee or the board of a Client and/or the investors of a Client advice, waiver or consent as to the conflict, or acting in accordance with standards or procedures approved by the limited partner advisory committee or the board of a Client and/or the investors of a Client to address the conflict; (ii) disposing of the investment or security giving rise to the conflict of interest; (iii) appointing a fiduciary or an independent client representative to act or provide consent with respect to the matter giving rise to the conflict of interest; (iv) disclosing the conflict to the limited partner advisory committee or the board of a Client and/or the investors of a Client (including, without limitation, in drawdown notices, distribution notices, financial statements, quarterly letters or other communications); (v) in the case of conflicts among Clients and Other Clients, creating groups of personnel within Blackstone separated by information barriers (which may be temporary and limited purpose in nature), each of which would advise or represent one of the Clients that has a conflicting position with Other Clients; (vi) implementing policies and procedures reasonably designed to mitigate the conflict of interest; (vii) validating the arms-length nature of the transaction by referencing participation by unaffiliated third parties; or (viii) otherwise handling the conflict as determined appropriate by Blackstone Credit in its good faith reasonable discretion. There can be no assurance that the Registrant will identify or resolve all conflicts of interest in a manner that is favorable to the Clients. By acquiring an interest in a Client, each investor will be deemed to have acknowledged and consented to the existence of all actual, apparent and potential conflicts of interest described herein or in the Offering and/or Governing Documents of such Client, acknowledged and consented to any actions, policies and procedures for handling them described herein or in the Offering and/or Governing Documents of such Client, acknowledged and consented that these conflicts will not necessarily be resolved in favor of the Client and/or its investors, agrees that investors may not be entitled to receive notice or disclosure of the occurrence of

these conflicts or have any right to consent to them, and waives any claim against Blackstone Credit or its affiliates and releases each of them from any liability arising from the existence of such conflicts of interest. The foregoing is applicable to all conflicts of interests described, implied or alluded to herein or in the Offering and/or Governing Documents.

***Blackstone Policies and Procedures.*** Because Blackstone has many different businesses, which Blackstone Credit investment teams and portfolio companies can be expected to engage to advise on and to execute debt and equity financings (including the Blackstone Capital Markets Group), it is subject to a number of actual and potential conflicts of interest, greater regulatory oversight and more legal and contractual restrictions than that to which it would otherwise be subject if it had just one line of business. Certain policies and procedures implemented by Blackstone to mitigate potential conflicts of interest and address certain regulatory requirements and contractual restrictions, such as Blackstone's information wall policy, will from time to time reduce the synergies and collaboration among Blackstone's various businesses that the Clients could otherwise expect Blackstone Credit to draw on for purposes of identifying, pursuing and managing attractive investment opportunities. For example, Blackstone will come into possession of material non-public information with respect to companies, including portfolio companies in which a Client has investments or may be considering making an investment. The information, which could be of benefit to the Clients, is likely to be restricted to those other businesses and otherwise be unavailable to the Clients. Clients will also from time to time be restricted from trading despite the fact that the Client did not receive such information. In addition, to the extent that Blackstone Credit is in possession of material non-public information or is otherwise restricted from trading in certain securities, the Clients and Blackstone Credit generally also will be deemed to be in possession of such information or otherwise restricted. This could reduce the investment opportunities available to the Clients, prevent the Clients from acquiring and exiting an investment or otherwise limit their investment flexibility. The inability to buy or sell securities in such circumstances could materially adversely affect the investment results of a Client, including but not limited to a material loss respect to an individual investment or differing results than those obtained by another Client or Other Client with respect to the same investment. Additionally, Blackstone may restrict or otherwise limit one Client and/or its portfolio companies from entering into agreements with, or related to, companies in which any Blackstone Client has invested or has considered making an investment. Blackstone will from time to time restrict or otherwise limit the ability of a Client and/or its portfolio companies to make investments in or otherwise engage in businesses or activities competitive with companies of Blackstone Clients, either as a result of contractual restrictions or otherwise. Furthermore, there will be circumstances in which affiliates of Blackstone (including Clients) may refrain from taking certain confidential information in order to avoid trading restrictions. Finally, Blackstone has and will enter into one or more strategic relationships in certain regions or with respect to certain types of investments that, although possibly intended to provide greater opportunities for the Clients, may require the Clients to share such opportunities or otherwise limit the amount of an opportunity the Clients can otherwise take. There can be no assurance that additional restrictions will not be imposed that would further limit the ability of Blackstone to share information internally. See "Strategic Relationships" below.

***Performance-Based Allocations.*** The existence of the Registrant's or a General Partner's performance-based allocation or fee creates a greater incentive for the Registrant to make more speculative investments on behalf of the Clients, or to time the purchase or sale of investments in a manner motivated by the personal interests of Blackstone Credit and/or Blackstone personnel rather than the interests of the investors of such Client, in each case than it would have if such performance-based compensation did not exist, as Blackstone Credit receives a disproportionate share of profits above any preferred return hurdle. However, the Blackstone commitment to invest in a Client and the General Partner's interim and final clawback obligations should reduce the incentives for Blackstone Credit to make more speculative investments or otherwise time the purchase or sale of investments based on considerations related to carried interest. The General Partner's interim and final clawback obligations potentially create other misalignments of interests between Blackstone Credit and investors, such as an incentive for Blackstone Credit to defer disposition of an investment that would result in a realized loss or a return on investment that was less than the preferred return and trigger the clawback, or delay the dissolution and liquidation of a Client if doing so would trigger a clawback obligation, in each case delaying or jeopardizing distributions to investors. In addition, H.R. 1, the "Tax Cuts and Jobs Act," provides for a lower capital gains tax rate on performance-based compensation from investments held for at least three years. While Blackstone Credit generally intends to seek to maximize pre-tax returns for each Client as a whole, Blackstone Credit will nonetheless be incentivized, for example, to accelerate deployment of capital at the beginning of a Client's investment period, to hold investments longer to ensure long-term capital gains treatment and/or to realize investments prior to any change in law that results in a higher effective income tax rate on its carried interest, even if such approach may result in a lower return for investors than otherwise would have been generated had such incentives not existed. Furthermore, upon a withdrawal by an investor from a Client in certain circumstances and upon the liquidation of a Client, Blackstone Credit can be expected to receive carried interest distributions with respect to a distribution in-kind of non-marketable securities. The amount of carried interest will be dependent on the valuation of the non-marketable securities distributed, which will be determined by Blackstone Credit and could incentivize Blackstone Credit to value the securities higher than if there were no carried interest, resulting in investors receiving securities valued at a price above their actual market value. Blackstone Credit can engage a third party to determine the value of securities distributed in-kind or non-marketable securities and rely upon the third party opinion of value, but there can be no assurance such an opinion will reflect value accurately. In addition, under the terms of the Offering and/or Governing Documents, Blackstone Credit is typically entitled to elect to receive its carried interest with respect to an investment in the form of an in-kind distribution of marketable securities, including if the purpose is to permit one or more Blackstone or Blackstone Credit personnel to donate such securities to charity (which may include private foundations, funds or other charities associated with any such personnel). The benefit derived from charitable giving has the effect of reinforcing and/or enhancing Blackstone Credit's incentives otherwise resulting from the existence of its carried interest and therefore conflicts of interest may arise in making decisions on behalf of a Client (including the timing of the disposition of investments). These conflicts may be exacerbated due to the enhanced knowledge and information Blackstone Credit has relative to the investors with respect to such securities.

In addition, Blackstone Credit may be incentivized to make certain determinations under a Client's Offering and/or Governing Documents in a manner that results in its receipt of a greater amount of, or earlier payment of, carried interest, which may in turn lower the amount of distributions made to the other investors in such Client. For example, unlike disposition proceeds, distributions of current income will typically not take into account a return of capital from the respective investment or allocable fees or expenses thereto, which creates an incentive for Blackstone Credit to determine that a recapitalization, refinancing or other similar transaction was not a "disposition" (in whole or in part) for purposes of the Offering and/or Governing Documents (including for purposes of calculating the General Partner's carried interest). Additionally, regardless of whether a recapitalization, refinancing or other similar transaction is treated as a "disposition" (in whole or in part) for purposes of determining Blackstone Credit's carried interest, such recapitalization, refinancing or other similar transaction are not expected to be treated as a "disposition" (in whole or in part) for purposes of calculating aggregate invested capital under the Offering and/or Governing Documents.

In addition, the manner in which a General Partner's entitlement to carried interest is determined may result in a conflict between Blackstone Credit's interests and the interests of investors with respect to the sequence and timing of disposals of investments. For example, the ultimate beneficial owners of a general partner are generally subject to U.S. federal and local income tax (unlike certain of the investors). A General Partner will generally therefore be incentivized to operate a Client, including to hold and/or sell investments, in a manner that takes into account the tax treatment of its carried interest and consequently cause distributions to investors to be made later than if the General Partner did not take such tax treatment into account.

In addition, the fact that all or a portion of a Client's management fee and/or servicing fee typically is calculated based on each investor's capital contributions for investments (and, in the case of management fees, also on the amounts borrowed to fund the purchase of investments or, in certain cases, on the net asset value of such Client's portfolio) will generally create an incentive for the General Partner to (i) make more speculative investments than it otherwise would have made if management fees and servicing fees were solely based on capital commitments (whether or not invested), (ii) seek to deploy the capital commitments in investments at an accelerated pace and/or (iii) hold investments longer than it otherwise would have if management fees and servicing fees were based solely on capital commitments, which in each case may result in a lower return for investors than otherwise would have been generated had such incentives not existed.

***Issuer Relationships.*** The Clients' portfolio companies are from time to time counterparties to or participants in agreements, transactions or other arrangements with portfolio companies of Other Clients or Blackstone Clients for the provision of goods and services, purchase and sale of assets and other matters. Although the Registrant may determine that such agreements, transactions or other arrangements are consistent with the requirements of such Clients' Offering and/or Governing Documents, such agreements, transactions or other arrangements may not have otherwise been entered into but for the affiliation with Blackstone Credit and/or Blackstone. These agreements, transactions or other arrangements involve fees, commissions, discounts and/or servicing payments to



Blackstone Credit and/or affiliated entities of Blackstone Clients, none of which will result in a management fee offset, even though some of the services that may be provided are similar in nature to the services provided by the Registrant. For example, Blackstone and/or Blackstone Credit may cause, or offer the opportunity to, portfolio companies to enter into agreements regarding group procurement (such as the group purchasing organization), benefits management, purchase of title and/or other insurance policies (which may be pooled across portfolio companies and discounted due to scale) and other operational, administrative or management related matters from a third party or an affiliate of Blackstone or Blackstone Credit, and other similar operational initiatives that can result in commissions or similar payments, including related to a portion of the savings achieved by the portfolio company. Such affiliated service providers are generally expected to receive market rate fees, and under certain circumstances, will also receive performance-based compensation (as determined by the relevant General Partner or the Registrant, as applicable) with respect to certain investments. The costs of such services will be borne indirectly by the Clients and will not result in any offset to the management fee payable by a Client.

In connection with such relationships, the Registrant will make determinations of market rates based on its consideration of any of a number of factors, which are generally expected to include the Registrant's experience with non-affiliated service providers and/or benchmarking data and other methodologies determined by the Registrant to be appropriate under the circumstances (*i.e.*, rates that fall within a range that the Registrant has determined is reflective of rates in the applicable market and certain similar markets, though not necessarily equal to or lower than the median rate of comparable firms). In respect of benchmarking, while the Registrant may obtain benchmarking data regarding the rates charged or quoted by third parties for services similar to those provided by the Registrant's affiliates in the applicable market or certain similar markets, relevant comparisons may not be available for a number of reasons, including, without limitation, as a result of a lack of a substantial market of providers or users of such services or the confidential or bespoke nature of such services. Therefore, such market comparisons may not result in precise market terms for comparable services, resulting in the Client paying more for such services than could have otherwise been obtained in the market. Expenses to obtain benchmarking data will be borne by the relevant portfolio company (and indirectly by the relevant Clients) or directly by the relevant Client and will not offset the management fee payable by a Client.

In addition, from time to time employees of Blackstone serve as directors or advisory board members of certain issuers of the Clients' investments or other entities. In connection with such services, the Registrant receives directors' fees or other similar compensation (unless a Client's Offering and/or Governing Documents otherwise provide). Such amounts may, but are not expected to be, material. Any such fees that result in an offset to the management fee payable by a Client only apply to the extent it is made as part of a Client's investment in a portfolio company. As a result, in the case of directors' fees, the management fee will not be reduced or offset to the extent any Blackstone Credit or Blackstone employees or professionals receive directors' fees relating to continued director service after a Client has exited the portfolio company and/or following the termination of such employee's employment with Blackstone Credit or Blackstone. This creates a conflict of interest, as

Blackstone Credit will have an incentive to structure employment arrangements in a manner that would not trigger application of a management fee offset.

Further, portfolio companies with respect to which a Client may elect members of the board of directors may, as a result, subject such Client and/or such directors to fiduciary obligations to make decisions that they believe to be in the best interests of any such portfolio company. Although in most cases the interests of such Client and any such portfolio company will be aligned, this may not always be the case. This can be expected to create conflicts of interest between the relevant director's obligations to any such portfolio company and its stakeholders, on the one hand, and the interests of a Client, on the other hand. For instance, such positions could impair the ability of a Client to sell the securities of an issuer in the event a director receives material non-public information by virtue of his or her role, which would have an adverse effect on the Client. Furthermore, an employee of Blackstone serving as a director to a portfolio company owes a fiduciary duty to the portfolio company, on the one hand, and the relevant Client, on the other hand, and such employee may be in a position where they must make a decision that is either not in the best interest of the Client, or is not in the best interest of the portfolio company. Blackstone personnel serving as directors may make decisions for a portfolio company that negatively impact returns received by a Client investing in the portfolio company. In addition, to the extent an employee serves as a director on the board of more than one portfolio company, such employees' fiduciary duties among the two portfolio companies can be expected to create a conflict of interest. Certain decisions made by a director may subject the Registrant, its affiliates or a Client to claims they would not otherwise be subject to as an investor, including claims of breach of duty of loyalty, securities claims and other director-related claims. In general, the Clients will indemnify the Registrant and Blackstone Credit personnel from such claims. Although Blackstone Credit will generally seek to minimize the impact of any such conflicts, there can be no assurance they will be resolved favorably for a Client.

The Registrant will typically also receive fees associated with capital invested by co-investors relating to investments in which certain Funds participate. In such circumstances, such amounts will not be deemed paid to or received by Blackstone Credit in connection with the provision of capital to portfolio companies by the Funds and such amounts will not result in a management fee offset.

Current and former officers and executives of portfolio companies can be expected to also invest in a Client. While the Registrant believes this aligns portfolio company management teams with the interests of the Client, the Registrant may, in certain circumstances, be incentivized to take (or refrain from taking) certain actions with respect to a portfolio company in order to maintain the goodwill with such portfolio company management team investor.

Relatedly, Blackstone and/or Other Clients, including Blackstone Strategic Capital Holdings and its related vehicles/entities and successor funds ("**BSCH**"), regularly make minority investments in alternative asset management firms that are not affiliated with Blackstone, Clients, Other Clients and their respective portfolio companies, and which from time to time engage in similar investment transactions, including with respect to purchase and sale of investments, with these asset management firms and their sponsored funds and portfolio

companies. Typically, the Blackstone related party with an interest in the asset management firm would be entitled to receive a share of the performance-based incentive compensation and net fee income or revenue share generated by the various products, vehicles, funds and accounts managed by that third party asset management firm that are included in the transaction or activities of the third party asset management firm, or a subset of such activities such as transactions with a Blackstone related party. In addition, while such minority investments are generally structured so that Blackstone does not “control” such third party asset management firms, Blackstone may nonetheless be afforded certain governance rights in relation to such investments (typically in the nature of “protective” rights, negative control rights or anti-dilution arrangements, as well as certain reporting and consultation rights) that afford Blackstone the ability to influence the firm. Although Blackstone and Other Clients, including BSCH, do not intend to control such third party asset management firms, there can be no assurance that all third parties will similarly conclude that such investments are non-control investments or that, due to the provisions of the governing documents of such third party asset management firms or the interpretation of applicable law or regulations, investments by Blackstone and Other Clients, including BSCH, will not be deemed to have control elements for certain contractual, regulatory or other purposes. While such third party asset managers will not be deemed “affiliates” of Blackstone under the Offering and/or Governing Documents of a Client or for any other purpose, Blackstone may, under certain circumstances, be in a position to influence the management and operations of such asset managers and the existence of its economic / revenue sharing interest therein may give rise to conflicts of interest. Participation rights in a third party asset management firm (or other similar business), negotiated governance arrangements and/or the interpretation of applicable law or regulations could expose the investments of Clients to claims by third parties in connection with such investments (as indirect owners of such asset management firms or similar businesses) that may have an adverse financial or reputational impact on the performance of Clients. Participation rights in a third party asset management firm (or other similar business), negotiated governance arrangements and/or the interpretation of applicable law or regulations could expose the investments of Clients to claims by third parties in connection with such investments (as indirect owners of such asset management firms or similar businesses) that will have an adverse financial or reputational impact on the performance of such Clients. Certain Clients, their affiliates and their respective portfolio companies will from time to time engage in transactions with, and buy and sell investments from, any such third party asset managers and their sponsored funds and portfolio companies. There can be no assurance that the terms of these transactions between parties related to Blackstone, on the one hand, and Clients and their portfolio companies, on the other hand, will be at arm’s length or that Blackstone and/or Blackstone Credit will not receive a benefit from such transactions, which can be expected to incentivize Blackstone to cause these transactions to occur. There can be no assurance that any such conflicts will be resolved in favor of such Clients or their investors.

In addition, it is possible that certain portfolio companies of Blackstone Clients or companies in which such Blackstone Clients have an interest will compete with the Clients or their portfolio companies for one or more investment opportunities and/or engage in activities that will have adverse consequences on the Clients and/or their portfolio companies. As an example of the latter, the laws and regulations of certain jurisdictions (*e.g.*, bankruptcy,

environmental, consumer protection and/or labor laws) may not recognize the segregation of assets and liabilities as between separate entities and may permit recourse against the assets of not just the entity that has incurred the liabilities, but also the other entities that are under common control with, or part of the same economic group as, such entity. In such circumstances, the assets of the Clients and/or their portfolio companies may be used to satisfy the obligations or liabilities of one or more Blackstone Clients, their portfolio companies and/or affiliates.

In addition, a portfolio company of one Client will from time to time enter into agreements, transactions or other arrangements with another portfolio company of such Client or one or more portfolio companies of an Other Client (including the sale of assets between such portfolio companies). This may give rise to actual or potential conflicts of interest for the General Partner, the Clients and/or their respective affiliates, as such agreements, transactions or arrangements may be more favorable for one portfolio company than another, thus benefitting one Client or Other Client at the expense of the other. Such agreements, transactions or other arrangements may be entered into without the consent or direct involvement of the Client and/or such Other Client or the consent of the limited partner advisory committee and/or the limited partners of the Client or such Other Client (and may arise in particular in circumstances where the Client and/or such Other Client has made a non-controlling investment in the underlying portfolio company). This is because, among other things, portfolio companies of the Client and portfolio companies of Other Clients are not considered affiliates of the General Partner or the Client under the Offering and/or Governing Documents. In any such case, the Client may not be involved in the negotiation process and the terms of any such agreement, transaction or other arrangement may not be as favorable to the Client as otherwise may be the case if the Client were involved.

Certain portfolio companies may have established or invested in, or can be expected to in the future establish or invest in, vehicles that are managed exclusively by the portfolio companies (and not Clients or Blackstone or any of its affiliates) and that invest in asset classes or industry sectors (such as cyber security) that fall within one or more of Clients' investment strategies. Such vehicles, which would not be considered affiliates of Blackstone and would not be subject to Blackstone's policies and procedures, can be expected to compete with Clients for investment opportunities. Portfolio companies and Blackstone affiliates will also establish other investment products, vehicles and platforms focusing on specific asset classes or industry sectors (such as reinsurance) that can be expected to compete with Clients for investment opportunities (it being understood that such arrangements can give rise to conflicts of interest that may not necessarily be resolved in favor of the Clients). In addition, Clients will often hold non-controlling interests in certain portfolio companies and, as a result, such portfolio companies could engage in activities outside of the Clients' control that may have adverse consequences on the Clients and/or their other portfolio companies.

Blackstone, Other Clients, their portfolio companies, and personnel and related parties of the foregoing will receive fees and compensation, including performance-based and other incentive fees, for products and services provided to certain Clients and their portfolio companies, such as fees for asset and property management; investment management,

underwriting, syndication or refinancing of a loan or investment; loan servicing; special servicing; administrative services; advisory services on purchase or sale of an asset or company; investment banking and capital markets services; placement agent services; fund administration; internal legal and tax planning services; information technology products and services; insurance procurement; brokerage; solutions and risk management services; data extraction and management products and services; and other products and services. No such fees and compensation will offset the management fee payable by any Client. Such parties will also provide products and services for fees to Blackstone, Other Clients and their portfolio companies, and their personnel and related parties, as well as third parties. Through its Innovations group, Blackstone incubates businesses that can be expected to provide goods and services to certain Clients and Other Clients and their portfolio companies, as well as other Blackstone related parties and third parties. By contracting for a product or service from a business related to Blackstone, certain Clients and their portfolio companies would provide not only current income to the business and their stakeholders, but could also create significant enterprise value in them, which would not be shared with the Clients or their investors (or offset any Client's management fee) and could benefit Blackstone directly and indirectly. Also, Blackstone, Other Clients and their portfolio companies, and their personnel and related parties can be expected to receive compensation or other benefits, such as through additional ownership interests or otherwise, directly related to the consumption of products and services by certain Clients and their portfolio companies. Certain Clients and their portfolio companies will incur expense in negotiating for any such fees and services, which will be treated as Client expenses. In addition, Blackstone will from time to time receive fees associated with capital invested by co-investors relating to investments in which a Client participates or otherwise, in connection with a joint venture in which a Client participates or otherwise with respect to assets or other interests retained by a seller or other commercial counterparty with respect to which Blackstone performs services. Finally, Blackstone and its personnel and related parties will from time to time also receive compensation in connection with referrals and related activities of such businesses incubated by the Blackstone Innovations group. The circumstances described above create an incentive for Blackstone Credit to cause its Clients and their portfolio companies to enter into transactions and arrangements to increase overall compensation to Blackstone even if a better price or terms may be available in the market.

As described in Item 5, a Client will, as determined by Blackstone Credit and as permitted by its Offering and/or Governing Documents, bear the cost of fund administration, in house legal, tax planning and other related services provided by Blackstone personnel and related parties to certain Clients and their portfolio companies, including the allocation of their compensation (including, without limitation, salary, bonus, payroll taxes and benefits), expenses and related overhead (including, without limitations, rent, property taxes and utilities allocable to workspaces) otherwise payable by Blackstone, or pay for their services at market rates. Such allocations or charges require judgments as to methodology that Blackstone Credit makes in good faith but in its sole discretion, and the Registrant is incentivized to allocate such costs to Clients and portfolio companies to reduce the overhead and expenses of the Registrant and its affiliates. Such allocations or charges can be based on any of the following methodologies: (i) requiring personnel to periodically record or allocate

their historical time spent with respect to the applicable Client or Blackstone approximating the proportion of certain personnel's time spent with respect to a Client, and in each case allocating their compensation and allocable overhead based on time spent, or charging their time spent at market rates, (ii) the assessment of an overall dollar amount (based on a fixed fee or percentage of assets under management) that Blackstone believes represents a fair recoupment of expenses and a market rate for such services or (iii) any other similar methodology determined by Blackstone to be appropriate under the circumstances. Certain Blackstone personnel will provide services to few, or only one, of Clients and Other Clients, in which case Blackstone could rely upon rough approximations of time spent by the employee for purposes of allocating the salary and overhead of the person if the market rate for services is clearly higher than allocable salary and overhead. However, any methodology (including the choice thereof) involves inherent conflicts and may result in incurrence of greater expenses by certain Clients and their portfolio companies than would be the case if such services were provided by third parties. While the Registrant may, in its discretion, obtain benchmarking data regarding third party rates for similar services, relevant comparisons may not be available for a variety of reasons, including as a result of the lack of a substantial market of providers or users of a particular services, confidentiality reasons and the bespoke nature of certain services. As a result, market comparisons may not (and often do not) result in precise comparable data for certain services.

Blackstone Credit, Other Clients and their portfolio companies, and their affiliates, personnel and related parties could continue to receive fees, including performance-based or incentive fees, for the services described in the preceding paragraphs with respect to investments sold by a Client or its portfolio company to a third party buyer after the sale is consummated. Such post-disposition involvement will give rise to potential or actual conflicts of interest, particularly in the sale process, that, if unaddressed, could tend to incentivize dispositions resulting in distributions to investors in such Client being lower than they otherwise would be in the absence of such conflicts. Moreover, Blackstone Credit, Other Clients and their portfolio companies, and their affiliates, personnel and related parties may acquire a stake in the relevant asset as part of the overall service relationship, at the time of the sale or thereafter.

Except as set forth herein, Clients and investors will not receive the benefit (*e.g.*, through an offset to the management fee payable by a Client or otherwise) of any fees or other compensation or benefit received by Blackstone Credit, its affiliates or their personnel and related parties.

***Portfolio Company Service Providers and Vendors.*** Certain Clients, Other Clients, portfolio companies of each of the foregoing and Blackstone Credit can be expected to engage portfolio companies of such Clients and Other Clients to provide some or all of the following services: (a) corporate support services (including, without limitation, accounts payable, accounting/audit (including valuation support services), account management, insurance, procurement, placement, brokerage, consulting, cash management, corporate secretarial services, domiciliation, data management, directorship services, finance/budget, human resources, information technology/systems support, internal compliance/KYC, judicial processes, legal, operational coordination (*i.e.*, coordination with joint venture partners, property managers),

risk management, reporting, tax, tax analysis and compliance (*e.g.*, CIT and VAT compliance), transfer pricing and internal risk control, treasury and valuation services); (b) loan services (including, without limitation, monitoring, restructuring and work-out of performing, sub-performing and nonperforming loans, administrative services, and cash management); (c) management services (*i.e.*, management by a portfolio company, Blackstone affiliate or third party (*e.g.*, a third party manager) of operational services); (d) operational services (*i.e.*, general management of day to day operations); (e) risk management (tax and treasury); (f) insurance procurement, placement, brokerage and consulting services; and (g) other services. Some of the services performed by portfolio company service providers will be performed by Blackstone Credit from time to time and vice versa. Fees paid by certain Clients or their portfolio companies to the other portfolio company service providers do not offset or reduce any management fee payable by investors and are not otherwise shared with Clients. Similarly, Other Clients and their portfolio companies can be expected to engage portfolio companies of certain Clients to provide some or all of these services.

***Service Providers, Vendors and Other Counterparties Generally.*** Certain third party advisors and other service providers and vendors to certain Clients and their portfolio companies (including accountants, administrators, lenders, bankers, brokers, attorneys, consultants, title agents and investment or commercial banking firms) are owned by Blackstone, Clients or Other Clients or provide goods or services to, or have other business, personal, financial or other relationships with, Blackstone, Other Clients and their respective portfolio companies and affiliates and personnel. Such advisors and service providers referred to above may be investors in Clients, affiliates of a General Partner, sources of financing and investment opportunities or co-investors or commercial counterparties or entities in which Blackstone and/or Other Clients have an investment, and payments by Clients and/or such entities can be expected to indirectly benefit Blackstone, Other Clients and their respective portfolio companies or any affiliates or personnel. Also, advisors, lenders, investors, commercial counterparties, vendors and service providers (including any of their affiliates or personnel) to certain Clients and their portfolio companies could have other commercial or personal relationships with Blackstone, Other Clients and their respective portfolio companies, or any affiliates, personnel or family members of personnel of the foregoing. Although Blackstone selects service providers and vendors it believes are most appropriate in the circumstances based on its knowledge of such service providers and vendors (which knowledge is generally greater in the case of service providers and vendors that have other relationships to Blackstone), the relationship of service providers and vendors to Blackstone as described above will influence Blackstone in deciding whether to select, recommend or form such an advisor or service provider to perform services for Clients or a portfolio company, the cost of which will generally be borne directly or indirectly by Clients and can be expected to incentivize Blackstone to engage such service provider over a third party, utilize the services of such service providers and vendors more frequently than would be the case absent the conflict, or to pay such service providers and vendors higher fees or commissions, resulting in higher fees and expenses being borne by a Client, than would be the case absent the conflict. The incentive could be created by current income and/or the generation of enterprise value in a service provider or vendor; Blackstone can be expected to also have an incentive to invest in or create service providers and vendors to realize on these opportunities.

Blackstone has a practice of not entering into any arrangements with advisors, vendors or service providers that provide lower rates or discounts to Blackstone itself compared to those it enters into on behalf of certain Clients and their portfolio companies for the same services. However, legal fees for unconsummated transactions are often charged at a discount rate, such that if certain Clients and their portfolio companies consummate a higher percentage of transactions with a particular law firm than Blackstone, Clients, Other Clients and their portfolio companies, the investors could indirectly pay a higher net effective rate for the services of that law firm than Blackstone, Clients or Other Clients or their portfolio companies. Also, advisors, vendors and service providers often charge different rates or have different arrangements for different types of services. For example, advisors, vendors and service providers often charge fees based on the complexity of the matter as well as the expertise and time required to handle it. Therefore, to the extent the types of services used by certain Clients and their portfolio companies are different from those used by Blackstone, Other Clients and their portfolio companies, and their affiliates and personnel, certain Clients and their portfolio companies can be expected to pay different amounts or rates than those paid by such other persons. Similarly, Blackstone, Clients, the Other Clients and their portfolio companies and affiliates can be expected to enter into agreements or other arrangements with vendors and other similar counterparties (whether such counterparties are affiliated or unaffiliated with Blackstone) from time to time whereby such counterparty will, in certain circumstances, charge lower rates (or no fee) or provide discounts or rebates for such counterparty's products or services depending on the volume of transactions in the aggregate or other factors.

Clients, Other Clients and their portfolio companies are expected to enter into joint ventures with third parties to which the service providers and vendors described above will provide services. In some of these cases, the third party joint venture partner may negotiate to not pay its *pro rata* share of fees, costs and expenses to be allocated as described above, in which case Clients, Other Clients and their portfolio companies that also use the services of the portfolio company service provider will, directly or indirectly, pay the difference, or the portfolio company service provider will bear a loss equal to the difference.

Blackstone may, from time to time, encourage service providers to funds and investments to use, generally at market rates and/or on arm's length terms (and/or on the basis of best execution, if applicable), Blackstone-affiliated service providers in connection with the business of Clients, portfolio companies, and unaffiliated entities. This practice creates a conflict of interest because it provides an indirect benefit to Blackstone in the form of added business for Blackstone-affiliated service providers without any reduction to a Client's management fee.

Certain portfolio companies that provide services to Clients, Other Clients and/or portfolio companies or assets of Clients and/or Other Clients may be transferred between and among Clients and/or Other Clients (where Clients will from time to time be a seller or a buyer in any such transfer) for minimal or no consideration (based on a third party valuation confirming the same) and without the approval of the investor advisory committee, independent client representative and/or the investors. Such transfers will give rise to actual



or potential conflicts of interest for Blackstone Credit, as the benefit to Blackstone Credit with respect to any such transfer may not align with the interests of the Clients involved in such transfer. See “Cross and Principal Transactions” below.

**Insurance.** The General Partner will cause Clients to purchase, and/or bear premiums, fees, costs and expenses (including any expenses or fees of insurance brokers) for insurance to insure the Client, the General Partner, the Registrant, Blackstone Credit, Blackstone and/or their respective directors, officers, employees, agents, independent client representatives (if any), representatives, members of the limited partner advisory committee and other indemnified parties (and in certain circumstances, such person’s agents and representatives) (“**Indemnified Parties**”), against liability in connection with the activities of the Client. This includes a portion of any premiums, fees, costs and expenses for one or more “umbrella,” group or other insurance policies maintained by Blackstone that cover the Client and one or more Other Clients, the Registrant, Blackstone Credit, Blackstone and/or Indemnified Parties. The General Partner will make judgments about the allocation of premiums, fees, costs and expenses for such “umbrella,” group or other insurance policies among the Client and one or more Other Clients, the Registrant, Blackstone Credit and/or Blackstone on a fair and reasonable basis, in its sole discretion, and may make corrective allocations should it determine subsequently that such corrections are necessary or advisable.

Similarly, Clients and their portfolio companies will from time to time enter into arrangements with Other Clients and their respective portfolio companies whereby property and/or other types of insurance is procured as a group where the insurance provider may charge lower premiums to the group than it would on an individual property-by-property basis. In such event, the obligation to pay the premiums may be allocated in accordance with the relative values of the respective assets that are insured by such policies (or other factors that Blackstone may reasonably determine). Additionally, certain Clients and Other Clients (and their respective portfolio companies) may jointly contribute to a pool of funds that may be used to pay losses that are subject to the deductibles on any group insurance policies, which contributions may similarly be allocated in accordance with the relative values of the respective properties that are insured by such policies (or other factors that Blackstone and/or Blackstone Credit may reasonably determine).

In respect of such insurance arrangements, Blackstone and/or Blackstone Credit may make corrective allocations from time to time should they determine subsequently that such adjustments are necessary or advisable. Such allocations involve conflicts of interest and there can be no assurance that different allocations or arrangements than those implemented by Blackstone and/or Blackstone Credit as provided above would not result in the Client bearing less (or more) premiums, deductibles, fees, costs and expenses for insurance policies.

**Other Blackstone Businesses and Activities.** Blackstone has multiple business lines, including the Blackstone Capital Markets Group, which Blackstone, Blackstone Credit, Clients, portfolio companies of Clients and third parties will, in certain circumstances, engage for debt and equity financings and to provide other investment banking, brokerage,

investment advisory or other services. As a result of these activities, Blackstone is subject to a number of actual and potential conflicts of interest, greater regulatory oversight and more legal and contractual restrictions than if it had one line of business. For example, Blackstone may come into possession of information that limits the Funds' ability to engage in potential transactions. Similarly, other Blackstone businesses and their personnel may be prohibited by law or contract from sharing information with Blackstone Credit that would be relevant to monitoring the Funds' investments and other activities. Additionally, Blackstone, Blackstone Credit or Other Clients can be expected to enter into covenants that restrict or otherwise limit the ability of a Client or its portfolio companies and their affiliates to make investments in, or otherwise engage in, certain businesses or activities. For example, Other Clients could have granted exclusivity to a joint venture partner that limits the Client and Other Clients from owning assets within a certain distance of any of the joint venture's assets, or Blackstone, Blackstone Credit or an Other Client could have entered into a non-compete in connection with a sale or other transaction. These types of restrictions may negatively impact the ability of certain Clients to implement their investment program. Finally, Blackstone and Blackstone Credit personnel who are members of the investment team or investment committee may be excluded from participating in certain investment decisions due to conflicts involving other Blackstone businesses or for other reasons, including other business activities, in which case the Client will not benefit from their experience. Client investors will not receive a benefit from any fees earned by Blackstone and/or Blackstone Credit or their personnel from these other businesses (or receive any management fee offset).

As part of its regular business, Blackstone provides a broad range of services. In addition, from time to time Blackstone will provide services in the future beyond those currently provided. Investors will not receive any benefit from (or any management fee offset relating to) any fees relating to such services earned by Blackstone.

Blackstone Credit will from time to time consider and reject an investment opportunity on behalf of one Client and Blackstone Credit or an affiliate may subsequently determine to have another Client or Other Client make an investment in the same asset. A conflict of interest arises because one Client or Other Client will, in such circumstances, benefit from the initial evaluation, investigation and diligence undertaken by Blackstone Credit on behalf of the original Client considering the investment. In such circumstances, the benefitting Client or Other Client will not be required to reimburse the original Client for expenses incurred in researching such investment.

In the regular course of its capital markets, investment banking, real estate, advisory and other businesses, Blackstone represents potential purchasers, sellers and other involved parties, including corporations, financial buyers, management, shareholders and institutions, with respect to transactions that could give rise to other transactions that are suitable for certain Clients. In such a case, a Blackstone Client would typically require Blackstone to act exclusively on its behalf. Such Blackstone Client requests may preclude certain Clients and/or Other Clients from participating in related transactions that would otherwise be suitable. Blackstone will be under no obligation to decline any such engagements in order to make an investment opportunity available to such Clients and, as a

result, experiences a conflict of interest because it is incentivized to enter into an arrangement with one Client to generate additional compensation to Blackstone where such arrangement may be detrimental to another Client.

In connection with its capital markets, investment banking and other businesses, Blackstone will from time to time determine that there are conflicts of interest or come into possession of information that limits its ability to engage in potential transactions. The activities of the Clients are expected to be constrained as a result of such conflicts of interest and the inability of Blackstone Credit personnel to use such information. For example, employees of Blackstone from time to time are prohibited by law or contract from sharing information with Blackstone Credit. Additionally, there are expected to be circumstances in which one or more of certain individuals associated with Blackstone will be precluded from providing to the relevant General Partner or the Registrant services related to the Clients' activities because of certain confidential information available to those individuals or to other parts of Blackstone. Blackstone is under no obligation to decline any such engagements or investments in order to make an investment opportunity available to one or more Clients.

Blackstone has long-term relationships with a significant number of corporations and their senior management. The Registrant will consider those relationships when evaluating an investment or divestment opportunity, which involves a conflict of interest as it may result in the Registrant choosing not to make such an investment or divestment due to such relationships (*e.g.*, investments in a competitor of a Client or other person with whom Blackstone has a relationship). The Clients may be forced to sell or hold existing investments when it otherwise would be more beneficial to such Client not to do so as a result of investment banking relationships or other relationships that Blackstone may have or transactions or investments that Blackstone may make or have made. The Clients may also co-invest with Blackstone Clients in particular investment opportunities, and the relationship with such Clients could influence the decisions made by the Registrant and the relevant General Partner with respect to such investments. Therefore, there can be no assurance that all potentially suitable investment opportunities that come to the attention of Blackstone will be made available to the Clients. In addition, the Clients may invest in securities of the same issuers as Other Clients or Blackstone Clients. When such investments are made, the Clients and Other Clients or Blackstone Clients are expected to have conflicting interests and such conflicts may not be resolved in favor of such Clients. See also "Other Affiliate Transactions and Investments in Different Levels of Capital Structure" below for further information on these situations.

A Client from time to time also co-invests with Other Clients or other persons with whom Blackstone has a relationship in particular investment opportunities, and other aspects of these Blackstone relationships could influence the decisions made by the Registrant with respect to such investments and otherwise result in a conflict that may not be resolved in favor of such Client. There can be no assurance that all potentially suitable investment opportunities that come to the attention of Blackstone and/or Blackstone Credit will be made available to a Client. See also Item 12 for further information regarding allocation of investment opportunities.

Blackstone, Clients and Other Clients could acquire interests in another Client in the secondary market. Blackstone, Clients and Other Clients would generally have greater information than counterparties in such transactions, and the existence of such business could produce conflicts, including with respect to the valuation of Client investments, that could lead to less favorable terms for the Client whose interests are acquired than would be obtained in a transaction with a third-party counterparty.

Blackstone, its related parties and personnel will from time to time participate in underwriting or lending syndicates with respect to current or potential portfolio companies of a Client, or otherwise be involved in and/or act as arrangers of financing, including with respect to the public offering and/or private placement of debt or equity securities issued by, or loan proceeds borrowed by, such Client and its portfolio companies, or otherwise in arranging financing (including loans) for such portfolio companies. Such underwritings or engagements may be on a firm commitment basis or may be on an uncommitted “best efforts” basis, and the underwriting or financing parties are under no duty to provide any commitment unless specifically set forth in the relevant contract. Blackstone may also provide placement or other similar services to purchasers or sellers of securities, including loans or instruments issued by portfolio companies. There may also be circumstances in which a Client commits to purchase any portion of such issuance from its portfolio company, some or all of which portion a Blackstone broker-dealer intends to syndicate to third parties. As a result thereof, Blackstone may receive commissions or other compensation, thereby creating a potential conflict of interest, incentivizing Blackstone Credit to enter into transactions on terms less beneficial to a Client than may be obtained in the absence of such conflict. This could include, by way of example, fees and/or commissions for equity syndications to co-investment vehicles. In certain cases, a Blackstone broker-dealer will act as the managing underwriter or a member of the underwriting syndicate or broker for a Client or its portfolio companies, or as dealer, broker or advisor to a counterparty to the Client or a portfolio company and purchase securities from or sell securities to the Client, Other Clients or their portfolio companies or advise on such transactions. Blackstone will also from time to time, on behalf of the Clients or other parties to a transaction involving the Clients, effect transactions, including transactions in the secondary markets, that result in commissions or other compensation paid to Blackstone by a Client or its portfolio companies or the counterparty to the transaction, thereby creating a potential conflict of interest. This could include, by way of example, fees and/or commissions for equity syndications to co-investment vehicles. Subject to applicable law, Blackstone will from time to time receive underwriting fees, discounts, placement commissions, loan modification or restructuring fees, servicing fees, capital markets advisory fees, lending arrangement fees, asset/property management fees, insurance (including title insurance) fees and consulting fees, monitoring fees, commitment fees, syndication fees, origination fees, organizational fees, operational fees, loan servicing fees, and financing and divestment fees (or, in each case, rebates in lieu of any such fees, whether in the form of purchase price discounts or otherwise, even in cases where Blackstone or a Blackstone Client or account is purchasing debt) or other compensation with respect to the foregoing activities, none of which are required to be shared with the Clients or the investors or the Registrant. In addition, the management fee with respect to a Fund investor generally will not be reduced by such amounts. Therefore, Blackstone will have a potential conflict of interest regarding the Clients and the other

parties to those transactions to the extent it receives commissions, discounts or such other compensation from such other parties that would incentivize Blackstone Credit to cause the Clients to enter into such transactions they may not have otherwise entered into in the absence of such conflict or to use a Blackstone broker-dealer rather than a third party even if a third party could have provided such services at lower rates. The Registrant, in its sole discretion, will approve any transactions in which a Blackstone broker-dealer acts as an underwriter, as broker for a Client, or as dealer, broker or advisor, on the other side of a transaction with a Client only where the Registrant believes in good faith that such transactions are appropriate for such Client.

Sales of loans or securities for the accounts of certain Clients and their portfolio companies will from time to time be bunched or aggregated with orders for other accounts of Blackstone including Other Clients. It could be impossible, as determined by Blackstone Credit in its sole discretion, to receive the same price or execution on the entire volume of securities sold, and the various prices may therefore be averaged which may be disadvantageous to a Client.

When Blackstone serves as underwriter with respect to securities or loans of a Client or its portfolio companies, a Client and such portfolio companies could be subject to a “lock-up” period following the offering under applicable regulations during which time a Client or portfolio company would be unable to sell any securities subject to the “lock-up.” This may prejudice the ability of certain Clients and their portfolio companies to dispose of such securities at an opportune time. This raises a conflict of interest because, though it could be detrimental to the interest of a Client, Blackstone is incentivized to enter into such arrangements to increase overall compensation to Blackstone, which compensation is not shared with Clients.

On October 1, 2015, Blackstone spun off its financial and strategic advisory services, restructuring and reorganization advisory services, and its Park Hill fund placement businesses and combined these businesses with PJT Partners Inc. (“**PJT**”), an independent financial advisory firm founded by Paul J. Taubman. While the combined business operates independently from Blackstone and is not an affiliate thereof, it is expected that there will be substantial overlapping ownership between Blackstone and PJT for a considerable period of time going forward. Therefore, conflicts of interest will arise in connection with transactions between or involving a Client and its Portfolio Entities, on the one hand, and PJT, on the other. The pre-existing relationship between Blackstone and its former personnel involved in financial and strategic advisory services at PJT, the overlapping ownership and co-investment and other continuing arrangements between PJT and Blackstone can be expected to influence the Adviser to select or recommend PJT to perform services for a Client or its Portfolio Entities, the cost of which will generally be borne directly or indirectly by a Client and Investors. Given that PJT is no longer an affiliate of Blackstone, the Adviser and its affiliates are able to cause a Client and Portfolio Entities to transact with PJT generally without restriction under the Organizational Documents of such Client, notwithstanding the relationship between Blackstone and PJT that were previously employed by an affiliate of Blackstone. In addition, one or more investment vehicles controlled by Blackstone have been established to facilitate participation in Blackstone’s side-by-side investment program by employees and/or partners of PJT.

In addition, other present and future activities of Blackstone and its affiliates (including the Registrant and the General Partner) will from time to time give rise to additional conflicts of interest relating to the Clients and their investment activities. In the event that any such conflict of interest arises, the General Partner and/or the Registrant, as applicable, will attempt to resolve such conflict in a fair and equitable manner. Investors should be aware that conflicts will not necessarily be resolved in favor of the applicable Client's interests. In addition, pursuant to a Fund's Offering and/or Governing Documents, such Fund's limited partner advisory committee may be established and authorized to give consent on behalf of such Fund with respect to certain matters. If the limited partner advisory committee consents to a particular matter as to which it is consulted and the relevant General Partner and the Registrant act in a manner, or pursuant to the standards and procedures, approved by such committee, or otherwise as provided in the applicable Offering and/or Governing Documents, then the General Partner, the Registrant and their affiliates will not have any liability to such Fund or the investors for such actions taken in good faith by them. A conflict of interest may exist when some, but not all, limited partners are permitted to designate a member of the advisory committee because those designating limited partners will, for instance, have greater information rights. An advisory committee's ability to approve conflicts of interest with respect to the Registrant and the applicable Client could be disadvantageous to the limited partners, including those limited partners who do not designate a member to the advisory committee. Representatives of the advisory committee may have various business and other relationships with Blackstone. These relationships may influence the decisions made by such members of the advisory committee. In addition, members of a Client's advisory committee may also be a member of another Client's or Other Client's advisory committee. In such instances, a conflict of interest exists because such Clients or Other Clients may have conflicting interests and such advisory committee members may be requested to provide their consent with respect to such conflicts of interest and will not recuse themselves from any such vote.

***Transactions with Clients of Blackstone Insurance Solutions.*** Blackstone Insurance Solutions ("**BIS**") is a business unit of Blackstone that comprises two affiliated registered investment advisers. BIS provides investment advisory services to insurers (including insurance companies that are owned, directly or indirectly, by Blackstone or Other Clients, in whole or in part). Actual or potential conflicts of interest will arise with respect to the relationship of Clients and their portfolio companies with the funds, vehicles or accounts BIS advises or sub-advises, including accounts where an insurer participates in investments directly and there is no separate vehicle controlled by Blackstone (collectively, "**BIS Clients**"). BIS Clients, including clients with whom Blackstone Credit has an advisory relationship, have invested and are expected to continue investing in Other Clients and Clients. BIS Clients may have investment objectives that overlap with those of Clients or their portfolio companies, and such BIS Clients may invest alongside Clients or their portfolio companies in certain investments, which will reduce the investment opportunities otherwise available to Clients or their portfolio companies. BIS Clients will also participate in transactions related to Clients or their portfolio companies (*e.g.*, as originators, co-originators, counterparties or otherwise) and receive fees or terms with respect to such transactions that may be less favorable to Clients or their portfolio companies than would have otherwise been obtained in a similar transaction with an unaffiliated third party. Other

transactions in which BIS Clients will participate include, without limitation, investments in debt or other securities issued by portfolio companies or other forms of financing to portfolio companies (including special purpose vehicles established by Clients or such portfolio companies). When investing alongside Clients or their portfolio companies or in other transactions related to Clients or their portfolio companies, BIS Clients may or may not invest or divest at the same time or on the same terms as Clients or their portfolio companies. BIS Clients may also from time to time acquire or sell investments and portfolio companies directly or indirectly from or to Clients, which creates a conflict of interest. See “Cross and Principal Transactions” below for additional information. In circumstances where Blackstone Credit determines in good faith that the conflict of interest is mitigated in whole or in part through various measures that Blackstone, Blackstone Credit or a General Partner implements, such General Partner is not required and does not intend to seek approval of an investor advisory committee or investors. In order to seek to mitigate any potential conflicts of interest with respect to such transactions (or other transactions involving BIS Clients), Blackstone may, in its discretion, involve independent members of the board of a portfolio company or a third party stakeholder in the transaction to negotiate price and terms on behalf of the BIS Clients or otherwise cause the BIS Clients to “follow the vote” thereof, and/or cause an independent client representative or other third party to approve the investment or otherwise represent the interests of one or more of the parties to the transaction. In addition, Blackstone or a General Partner may limit the percentage interest of the BIS Clients participating in such transaction, or obtain appropriate price quotes or other benchmarks, or, alternatively, a third-party price opinion or other document to support the reasonableness of the price and terms of the transaction. BIS will also from time to time require the applicable BIS Clients participating in a transaction to consent thereto (including in circumstances where a General Partner does not seek the consent of an investor advisory committee or investors). There can be no assurance that any such measures or other measures that may be implemented by Blackstone will be effective at mitigating any actual or potential conflicts of interest. Moreover, under certain circumstances (*e.g.*, where a BIS Client participates in a transaction directly (and not through a vehicle controlled by Blackstone) and independently consents to participating in a transaction), a BIS Client will not be an “affiliate” under the Offering and/or Governing Documents of any Client, in which case any limitations or obligations pursuant to the Offering and/or Governing Documents with respect to transactions with affiliates will not apply.

***Allocation of Portfolios.*** Blackstone may have an opportunity to acquire a portfolio or pool of assets, securities and instruments that it determines should be divided and allocated among certain Clients and Other Clients. Such allocations generally would be based on Blackstone’s assessment of the expected returns and risk profile of each of the assets. For example, some of the assets in a pool may have an opportunistic return profile, while others may have a lower return profile not appropriate for certain Clients. Also, a pool may contain both debt and equity instruments that Blackstone determines should be allocated to different funds. In all of these situations, the combined purchase price paid to a seller would be allocated among the multiple assets, securities and instruments in the pool and therefore among Clients and Other Clients acquiring any of the assets, securities and instruments. Similarly, there will likely be circumstances in which Clients and Other Clients will sell assets in a single or related transactions to a buyer. In some cases a counterparty will require an

allocation of value in the purchase or sale contract, though Blackstone could determine such allocation of value is not accurate and should not be relied upon. Blackstone will generally rely upon internal analysis to determine the ultimate allocation of value, though it could also obtain third party valuation reports. Regardless of the methodology for allocating value, Blackstone will have conflicting duties to Clients and Other Clients when they buy or sell assets together in a portfolio, including as a result of different financial incentives Blackstone has with respect to different vehicles, most clearly when the fees and compensation, including performance-based compensation, earned from the different vehicles differ. There can be no assurance that an investment of a Client will not be valued or allocated a purchase price that is higher or lower than it might otherwise have been allocated if such investment were acquired or sold independently rather than as a component of a portfolio shared with Other Clients.

***Other Affiliate Transactions and Investments in Different Levels of Capital Structure.***

From time to time, the Clients invest in securities of the same issuers as Other Clients or Other Blackstone Clients, including at different levels of an issuer's capital structure or otherwise in different classes of an issuer's securities or loans, subject to the limitations of the Investment Company Act. While less common, from time to time a Client could hold an investment in a different layer of the capital structure than an investor or another party with which the Registrant has a material relationship, in which case the Registrant could have an incentive to cause the Client or the portfolio company to offer more favorable terms to such parties (including, for instance, financing arrangements). Such investments may inherently give rise to conflicts of interest or perceived conflicts of interest between or among the various classes of securities or loans that may be held by such entities. To the extent a Client holds securities or loans that differ (including with respect to their relative seniority) from those held by Other Clients in the same investment or portfolio company, the relevant General Partner, the Registrant and their affiliates may be presented with decisions when the interests of the Clients are in conflict. For example, conflicts could arise where a Client lends funds to a portfolio company while an Other Client invests in equity securities of such portfolio company. In this circumstance, for example, if a portfolio company were to go into bankruptcy, become insolvent or otherwise be unable to meet its payment obligations or comply with its debt covenants, conflicts of interest could arise between the holders of different types of securities or loans as to what actions the portfolio company should take. Further conflicts could arise after the Clients have made their respective initial investments. For example, if additional financing is necessary as a result of financial or other difficulties, it may not be in the best interests of Clients to provide such additional financing. If Other Clients were to lose their respective investments as a result of such difficulties, the ability of the General Partner to take actions in the best interests of such Client might be impaired. The Registrant may in its discretion take steps to reduce the potential for adversity between such Client and the Other Clients, including causing Clients to take certain actions that, in the absence of such conflict, they would not take. Such conflicts will be more difficult if the Client and Other Clients hold significant or controlling interests in competing or different tranches of a portfolio company's capital structure. Equity holders and debt holders have different (and often competing) motives, incentives, liquidity goals and other interests with respect to a portfolio company. In addition, there may be circumstances where the Registrant agrees to implement certain procedures to ameliorate conflicts of interest that may involve a



forbearance of rights relating to Clients, such as where the Registrant may cause the Clients to decline to exercise certain control- and/or foreclosure-related rights with respect to a portfolio company (including following the vote of other third party lenders generally (or otherwise recusing itself with respect to decisions), including with respect to defaults, foreclosures, workouts, restructurings and/or exit opportunities), subject to certain limitations. There can be no assurance that any conflict will be resolved in favor of the Clients. There can be no assurance that the return on a particular Client's investment will be equivalent to or better than the returns obtained by Other Clients participating in the transaction. In addition, it is possible that in a bankruptcy proceeding, a Client's interests may be subordinated or otherwise adversely affected by virtue of an Other Client's or other vehicle's involvement and actions relating to its investment. For example, in circumstances where a Client holds a junior mezzanine interest in a portfolio company, holders of more senior classes of debt issued by such portfolio company (which may include Other Clients) may take actions for their benefit (particularly in circumstances where such portfolio company faces financial difficulties or distress) that further subordinate or adversely impact the value of such Client's investment in such portfolio company.

In addition, conflicts may arise in determining the amount of an investment, if any, to be allocated among potential investors and the respective terms thereof. There can be no assurance that any conflict will be resolved in favor of a Client and a decision by Blackstone Credit to take any particular action could have the effect of benefiting an Other Client (and, incidentally, may also have the effect of benefiting Blackstone Credit) and therefore may not have been in the best interests of, and may be adverse to, the Client. There can be no assurance that the return on such Client's investment will be equivalent to or better than the returns obtained by the Other Clients participating in the transaction. Investors in such Client will not receive any benefit from fees paid to any affiliate of Blackstone and/or Blackstone Credit from a portfolio company in which an Other Client also has an interest.

***Firm Affiliated Service Providers.*** Certain of Blackstone's, Blackstone Credit's and/or portfolio companies' advisors and other service providers or their affiliates (including accountants, administrators, lenders, bankers, brokers, attorneys, consultants, and investment or commercial banking firms) also provide goods or services to, or have business, personal, financial or other relationships with, Blackstone, its affiliates and portfolio companies. Such advisors and service providers referred to above (or their affiliates) may be investors in the Funds or affiliates of Blackstone and/or Blackstone Credit, may have a Managed Account and/or may be sources of investment opportunities or co-investors or commercial counterparties and/or portfolio companies in which Blackstone and/or the Clients have an investment, and payments by a Client and/or such portfolio company may benefit Blackstone and/or Other Clients. Retention of such service providers may give rise to actual or potential conflicts of interest. No fees charged by these service providers and vendors will offset or reduce management fees payable by a Client, unless otherwise required by such Client's Offering and/or Governing Documents. Further, Blackstone, Other Clients and their portfolio companies and their affiliates and related parties will use the services of these Blackstone affiliates, including at different rates. Although Blackstone believes the services provided by its affiliates are equal or better than those of third parties,

Blackstone directly benefits from the engagement of these affiliates, and there is therefore an inherent conflict of interest such as those described above.

Additionally, certain employees and other professionals of Blackstone and/or Blackstone Credit may have family members or relatives employed by advisors and service providers to Blackstone Credit, Blackstone and/or one or more Clients (or their affiliates) or otherwise actively involved in (or have business, financial or other relationships with) industries and sectors in which Clients invest, or have business, financial, personal or other relationships with companies in such industries and sectors (including the advisors and service providers described herein) or other industries, which gives rise to potential or actual conflicts of interest. For example, such family members or relatives might be employees, officers, directors or owners of companies or assets that are actual or potential investments of a Client or other counterparties of certain Clients and their portfolio companies and/or assets. Moreover, in certain instances, a Client or its portfolio companies may issue loans to or acquire securities from, or otherwise transact with, companies that are owned by such family members or relatives or in respect of which such family members or relatives have other involvement. These relationships may influence Blackstone, Blackstone Credit, the General Partner and/or the Registrant in deciding whether to select or recommend such service providers to perform services for the Clients or portfolio companies (the cost of which will generally be borne directly or indirectly by the Clients or such portfolio companies, as applicable). Notwithstanding the foregoing, investment transactions relating to the Clients that require the use of a service provider will generally be allocated to service providers on the basis of best execution, the evaluation of which, in the case of broker-dealers, includes, among other considerations, such service provider's provision of certain investment-related services and research that the General Partner believes to be of benefit to the Clients. To the extent that Blackstone determines appropriate, conflict mitigation strategies may be put in place with respect to a particular circumstance, such as internal information barriers or recusal, disclosure or other steps determined appropriate by Blackstone. Investors rely on Blackstone to manage these conflicts in its sole discretion.

Certain Blackstone-affiliated service providers and their respective personnel will receive a management promote, an incentive fee and other performance-based compensation in respect of investments, sales or other transaction volume. Furthermore, as discussed above, Blackstone-affiliated service providers can charge costs and expenses based on allocable overhead associated with personnel working on relevant matters (including salaries, benefits and other similar expenses) and such costs and expenses would be borne directly or indirectly by Clients.

Advisors and service providers, or their affiliates, often charge different rates (including below-market or no fee) or have different arrangements for different types of services. With respect to service providers, for example, the fee for a given type of work may vary depending on the complexity of the matter as well as the expertise required and demands placed on the service provider. Therefore, to the extent the types of services used by the Clients and portfolio companies differ from those used by Blackstone (including personnel) may pay different amounts or rates than those paid by the Clients and portfolio companies. Similarly, Blackstone, the Clients, Blackstone Clients and/or their portfolio companies may

enter into agreements or other arrangements with vendors and other similar counterparties (whether such counterparties are affiliated or unaffiliated with Blackstone) from time to time whereby such counterparty may charge lower rates (or no fee) and/or provide discounts or rebates for such counterparty's products and/or services depending on certain factors, including volume of transactions entered into with such counterparty by Blackstone, the Clients, Blackstone Clients and their portfolio companies in the aggregate. However, the Registrant has a longstanding practice of not entering into any arrangements with advisors or service providers that could provide for lower rates or discounts than those available to the Clients or portfolio companies for the same services. Furthermore, advisors and service providers may provide services exclusively to Blackstone Credit and/or Blackstone, including Blackstone Credit Clients and their portfolio companies, although such advisors and service providers will not be considered employees of Blackstone or Blackstone Credit.

Blackstone-affiliated service providers are generally expected to receive competitive market rate fees (as determined by the relevant General Partner, the Registrant or their affiliates) when providing services to Clients or their portfolio companies. Such affiliated service providers may include:

**Aquicore.** Aquicore is a cloud-based platform that tracks, analyzes and predicts key metrics in real estate focused on the reduction of energy consumption. Blackstone holds a minority investment in Aquicore. Please see "Issuer Relationships" above for additional information.

**BPM.** Blackstone Property Management is a Blackstone affiliate that provides property management, leasing oversight, corporate services (including accounting and reporting), development and construction management, and transaction support services to certain of the Clients' investment properties primarily located in the United Kingdom and continental Europe.

**BTIG.** BTIG, LLC ("**BTIG**") is a global financial services firm in which certain Blackstone entities own a strategic minority investment. BTIG provides institutional trading, investment banking, research and related brokerage services and may provide goods and services for Clients or their portfolio companies.

**Equity Healthcare.** Equity Healthcare LLC ("**Equity Healthcare**") is a Blackstone affiliate that negotiates with providers of standard administrative services and insurance carriers for health benefit plans and other related services for cost discounts, quality of service monitoring, data services and clinical consulting. Because of the combined purchasing power of its client participants, Equity Healthcare is able to negotiate pricing terms that are believed to be more favorable than those that the portfolio companies could obtain for themselves on an individual basis. The payments made to Blackstone in connection with Equity Healthcare, group purchasing, insurance and benefits management will not offset the management fee payable by investors.

**Optiv.** Optiv is a portfolio company held by certain Blackstone private equity funds that provides a full slate of information security services and solutions and may provide goods and services for Clients and their portfolio companies.

**PSAV.** PSAV, Inc. is a portfolio company held by certain Blackstone private equity funds that provides outsourced audiovisual services and event production and may provide goods and services for Clients and their portfolio companies.

**Refinitiv.** On October 1, 2018, a consortium led by Blackstone announced that private equity funds managed by Blackstone had completed an acquisition of Thomson Reuters' Financial & Risk business ("**Refinitiv**"). Refinitiv operates a pricing service that provides valuation services and provides goods and services for Clients and their portfolio companies.

**Kryalos.** Blackstone through one or more Other Clients has made a minority investment in Kryalos, an operating partner in certain real estate investments made by Other Clients. Kryalos performs services for Clients and their portfolio companies.

**Valkyrie.** Valkyrie BTO Aviation LLC ("**Valkyrie**") is a Blackstone affiliate that provides asset management and loan servicing solutions for investments in the aviation space, including for investments by the Clients, Other Clients and their portfolio companies, affiliates and related parties. The asset management services provided by Valkyrie with respect to such investments can be expected to include, without limitation, origination or sourcing of investment opportunities, diligence, negotiation, analysis, servicing, development, management and disposition and other related services (*e.g.*, marketing, financial, administrative, legal and risk management). In exchange for such services, Valkyrie earns fees, including through incentive-based compensation payable to their management team, which would have otherwise been paid to third parties. As a result of the foregoing and Blackstone's ownership of Valkyrie, Blackstone may be incentivized to participate in and pursue more aviation-related transactions due to the prospect of Valkyrie earning such fees. With respect to certain Clients, the fees, compensation and other amounts received by Valkyrie in connection with such services provided to investments will not offset the management fee payable by limited partners to the extent provided in the applicable Offering and/or Governing Documents. As such, Blackstone will have an incentive to engage Valkyrie because the fees, costs and expenses of such services will be borne by the Clients as partnership expenses (with no reduction or offset to management fees with respect to certain Clients) and will reduce Blackstone's internal overhead and compensation costs for employees who would otherwise perform such services. As a result, while Blackstone believes that Valkyrie will provide services at or better than those provided by third parties, there is an inherent conflict of interest that would incentivize Blackstone to pursue aviation-related transactions and engage Valkyrie to perform such services.

Portfolio company service providers described in this section are generally owned by an Other Client. In certain instances a similar company could be owned by Blackstone directly.

Where compensation paid to an affiliated service provider from a Client or its portfolio company is based on market rates, such compensation will not be based on the cost incurred by the applicable service provider and therefore will likely result in a profit to such service provider. In the even the service provider is an affiliate of Blackstone Credit, Blackstone Credit experiences a conflict of interest in determining the terms of any such engagement. There can be no assurance that an unaffiliated third party would not charge a lesser rate.

In addition, investment banks or other financial institutions, as well as Blackstone employees, may also be Fund investors. These institutions and employees are a potential source of information and ideas that could benefit Clients. Blackstone has procedures in place reasonably designed to prevent the inappropriate use of such information by Clients.

***Transactions with Portfolio Companies.*** Blackstone and portfolio companies of Clients and Other Clients provide products and services to or otherwise contract with Clients and its portfolio companies, among others. In the alternative, Blackstone may form a joint venture with such a company to implement such referral arrangement. For example, such arrangements may include the establishment of a joint venture or other business arrangement between Blackstone, on the one hand, and a portfolio company of a Client, portfolio company of an Other Client or third party, on the other hand, pursuant to which the joint venture or business provides services (including, without limitation, corporate support services, loan management services, management services, operational services, risk management services, data management services, consulting services, brokerage services, insurance procurement, placement, brokerage and consulting services, and other services) to portfolio companies of Clients (and portfolio companies of Other Clients) that are referred to the joint venture or business by Blackstone. Blackstone, Clients and Other Clients and their respective portfolio companies and personnel and related parties of the foregoing may make referrals or introductions to portfolio companies of Clients or Other Clients in an effort, in part, to increase the customer base of such companies or businesses (and therefore the value of the investment held by the Client or Other Client, which would also benefit Blackstone financially through its participation in such joint venture or business) or because such referrals or introductions may result in financial benefits, such as additional equity ownership and/or milestones benefitting the referring or introducing party that are tied or related to participation by the portfolio companies of Clients and/or of Other Clients, accruing to the party making the introduction. Clients and their investors typically will not share in any fees, economics, equity or other benefits accruing to Blackstone, Other Clients and their portfolio companies as a result of the introduction of Clients and their portfolio companies. Moreover, payments made to Blackstone in connection with such arrangements will not result in a management fee offset or otherwise be shared with Clients. There may, however, be instances in which the applicable arrangements provide that Clients or their portfolio companies share in some or all of any resulting financial incentives (including, in some cases, equity ownership) based on structures and allocation methodologies determined in the sole discretion of Blackstone. Conversely, where a Client or one of its portfolio companies is the referring or introducing party, rather than receiving all of the financial incentives (including, in some cases, additional equity ownership) for similar types of referrals and/or introductions, such financial incentives (including, in some cases, equity

ownership) may be similarly shared with the participating Other Clients or their respective portfolio companies.

Blackstone will from time to time also enter into commercial relationships with third party companies, including those in which one or more Clients considered making an investment (but ultimately chose not to pursue). For example, Blackstone may enter into an introducer engagement with such company, pursuant to which Blackstone introduces the company to unaffiliated third parties (which may include current and former portfolio companies and portfolio companies of Other Clients and/or their respective employees) in exchange for a fee from, or equity interest in, such company. This creates a conflict of interest because, even though Blackstone may benefit financially from this commercial relationship, Blackstone will be under no obligation to reimburse Clients for Broken Deal Expenses incurred in connection with its consideration of the prospective investment and such arrangements will not result in a management fee offset or otherwise be shared with Clients.

Additionally, Blackstone or an affiliate thereof will from time to time hold equity or other investments in companies or businesses (even if they are not “affiliates” of Blackstone) that provide services to or otherwise contract with portfolio companies. Blackstone and Blackstone Credit have in the past entered (and can be expected in the future to enter) into relationships with companies in the information technology, corporate services and related industries whereby Blackstone acquires an equity or similar interest in such company. In connection with such relationships, Blackstone and/or Blackstone Credit may also make referrals and/or introductions to portfolio companies (which may result in financial incentives (including additional equity ownership) and/or milestones benefitting Blackstone and/or Blackstone Credit that are tied or related to participation by portfolio companies). Such joint venture or business could use data obtained from portfolio companies of Clients and/or portfolio companies of Other Clients (*see* “Portfolio Company Data” herein). These arrangements may be entered into without the consent or direct involvement of such Client and/or such Other Client or the consent of the investor advisory committee and/or the limited partners of such Client or such Other Client. Clients and investors will not share in any fees or economics accruing to Blackstone and/or Blackstone Credit as a result of these relationships and/or participation by portfolio companies.

With respect to transactions or agreements with portfolio companies (including, for the avoidance of doubt, long-term incentive plans), at times if officers unrelated to Blackstone have not yet been appointed to represent a portfolio company, Blackstone will from time to time negotiate and execute agreements between Blackstone and/or a Client on the one hand, and the portfolio company or its affiliates, on the other hand, without arm’s length representation of the portfolio company, which could entail a conflict of interest in relation to efforts to enter into terms that are arm’s length, and there is no guarantee that such conflict will be resolved in favor of such Client. Among the measures Blackstone may use to mitigate such conflicts are to involve outside counsel to review and advise on such agreements and provide insights into commercially reasonable terms, or establish separate groups with information barriers within Blackstone to advise on each side of the negotiation.

**Related Party Leasing.** Clients and their portfolio companies from time to time lease property to or from Blackstone, Other Clients and their portfolio companies and affiliates and other related parties. The leases are generally expected to be at market rates. Blackstone may confirm market rates by reference to other leases it is aware of in the market, which Blackstone expects to be generally indicative of market given the scale of Blackstone's real estate business. Blackstone will nonetheless have conflicts of interest in making these determinations. There can be no assurance that Clients and their portfolio companies will lease to or from any such related parties on terms as favorable to Clients and their portfolio companies as would apply if the counterparties were unrelated.

**Cross-Guarantees and Cross-Collateralization.** While Blackstone Credit generally seeks to use reasonable efforts to avoid cross-guarantees and other similar arrangements, a counterparty, lender or other participant in any transaction to be pursued by Clients and alternative investment vehicles) and/or the Other Clients may require or prefer facing only one fund entity or group of entities, which may result in any of the Clients, such Other Clients, the Clients' portfolio companies, such Other Clients' portfolio companies and/or other vehicles being jointly and severally liable for such applicable obligation (subject to any limitations set forth in the applicable Offering and/or Governing Documents thereof), which in each case may result in such Clients, such Other Clients, such portfolio companies and portfolio companies, and/or vehicles entering into a back-to-back or other similar reimbursement agreement. In such situation, better financing terms may be available through a cross-collateralized arrangement, but it is not expected that any of such Clients or such Other Clients or vehicles would be compensated (or provide compensation to the other) for being primarily liable vis-à-vis such third party counterparty. Also, it is expected that cross-collateralization will generally occur at portfolio companies rather than Clients for obligations that are not recourse to a Client except in limited circumstances such as "bad boy" events. Any cross-collateralization arrangements with Other Clients could result in a Client losing its interests in otherwise performing investments due to poorly performing or non-performing investments of Other Clients in the collateral pool.

Similarly, a lender could require that it face only one portfolio company of a Client and Other Clients, even though multiple portfolio companies of the Clients and Other Clients benefit from the lending, which will typically result in (i) the portfolio company facing the lender being solely liable with respect to the entire obligation, and therefore being required to contribute amounts in respect of the shortfall attributable to other portfolio companies, and (ii) portfolio companies of Clients and Other Clients being jointly and severally liable for the full amount of the obligation, liable on a cross-collateralized basis or liable for an equity cushion (which cushion amount may vary depending upon the type of financing or refinancing (*e.g.*, cushions for refinancings may be smaller)). The portfolio companies of Clients and Other Clients benefiting from a financing may enter into a back-to-back or other similar reimbursement agreements to ensure no portfolio company bears more than its *pro rata* portion of the debt and related obligations. It is not expected that the portfolio companies would be compensated (or provide compensation to other portfolio companies) for being primarily liable, or jointly liable, for other portfolio companies *pro rata* share of any financing.

**Joint Venture Partners.** Clients will from time to time enter into one or more joint venture arrangements with third party joint venture partners. Investments made with joint venture partners will often involve performance-based compensation and other fees payable to such joint venture partners, as determined by a General Partner in its sole discretion. The joint venture partners could provide services similar to those provided by a General Partner to a Client. Yet, no compensation or fees paid to the joint venture partners would reduce or offset management fees or carried interest payable to Blackstone Credit. Additional conflicts would arise if a joint venture partner is related to Blackstone in any way, such as a limited partner investor in, lender to, a shareholder of, or a service provider to Blackstone, a Client, Other Clients, or their respective portfolio companies, or any affiliate, personnel, officer or agent of any of the foregoing and there is no assurance that any such conflicts would be resolved in favor of a Client.

**Blackstone Europe.** Blackstone and/or Blackstone Credit will from time to time incorporate or otherwise organize, and one or more of its affiliates have incorporated or otherwise organized, one or more Luxembourg-based or Ireland-based entities (and in the future may organize other non-U.S. entities) that are the master holding companies or other structures through which the Clients may principally invest into European investments (any such structure, “**Blackstone Europe**”) and that may be utilized by Blackstone Credit. Blackstone Europe is expected to provide one or more of the following key service functions to the Clients and/or to the European-domiciled entities that are part of the investments of the Clients and may also be owned, directly or indirectly, by the Clients or their affiliates. The key service functions expected to be provided by Blackstone Europe and its employees are: (i) domiciliation, (ii) account management, (iii) administration, (iv) accounting, (v) tax, regulatory and organizational compliance, (vi) transaction support services and (vii) local office space, though other services may also be provided. Blackstone Europe is expected to receive fees for such services at no greater than market rates deemed competitive by Blackstone but there is no guarantee that this will be the case. The Clients will also bear the cost of fund administration and other related services provided by Blackstone Credit, Blackstone, Other Clients, portfolio companies of Other Clients, and/or their respective employees and/or affiliates, including the allocation of their compensation otherwise payable by Blackstone Credit, Blackstone and/or portfolio companies of Other Clients (including, without limitation, rent and refurbishment costs), and, except in certain limited circumstances, such amounts will not offset the management fee payable by a Client. Such allocations require judgments as to methodology that the General Partner will make in good faith. Blackstone and/or Blackstone Credit will endeavor to allocate fees and expenses associated with Blackstone Europe fairly and equitably, which allocation is expected to involve certain subjective assumptions based on actual data pertaining to the services provided. The Registrant believes that this method will result in a fair and equitable allocation of expenses. Any such expenses attributable directly or indirectly to the Clients, including the Clients’ allocable portion of overhead expenses (including, for example, the salary and compensation of personnel of Blackstone Europe) and costs associated with the leasing of office space, will be treated as the Clients’ expenses and will not be subject to management fee offset or otherwise be shared with the Clients or investors in the Clients.



***Self-Administration of Clients.*** In certain instances, the Registrant will provide certain fund administration services to a Fund rather than engage a third party administrator to perform such services. The costs for providing these services are not included in the investment management fee or servicing fee payable by a Fund and are paid separately by such Fund. The Registrant also reserves the right to charge one or more Clients a reduced rate for these services, or to reduce or waive such charges entirely, and the Registrant faces a conflict of interest in its determination to reduce or waive such fees, as it will have an incentive to reduce or waive charges to a Client in which it or its affiliates holds a greater interest. The Registrant generally determines the fund administration fee at the time a Fund is initially launched based on a fee structure that is commensurate with that of a non-affiliated third party performing equivalent services. The Registrant's ability to determine the fund administration fee it receives from such Fund creates a conflict of interest and there is no guarantee that such arrangement will be as favorable to the Fund as an alternative arrangement for equivalent services that could have been entered into with an unaffiliated third-party. The Registrant addresses this conflict by reviewing its fund administration fee as the Registrant believes is appropriate (generally on an annual basis) to confirm that it is comparable and fair with regard to equivalent services performed by a non-affiliated third party at a rate negotiated on an arm's length basis. The fund administration fee will not be based on the cost incurred by the Registrant or its affiliates in providing administration services and therefore will likely result in a profit to the Registrant or its affiliates, and neither the administration fee nor any such profit will offset a Client's management fee. There can be no assurance that an unaffiliated third party would not charge a lesser rate.

***Outsourcing.*** Blackstone is expected to outsource to third parties many of the services performed for the Clients and/or their portfolio entities, including services (such as administrative, legal, accounting, tax or other related services) that can be or historically have been performed in-house by Blackstone and its personnel. The fees, costs and expenses of such third-party service providers will be borne by the Clients, even if Blackstone would have borne such amounts if such services had been performed in-house (which, for the avoidance of doubt, would be in addition to any fees borne by Blackstone for similar services performed by Blackstone in-house in lieu of or alongside (and/or to supplement or monitor) such third parties, subject to the terms of Offering and/or Governing Documents). The decision to engage a third-party service provider and the terms (including economic terms) of such engagement will be made by Blackstone in its discretion, taking into account such factors as it deems relevant under the circumstances. Certain third-party service providers and/or their employees will dedicate substantially all of their business time to one or more Clients and/or their respective portfolio entities, while others will have other clients. In certain cases, third-party service providers and/or their employees may spend a significant amount of time at Blackstone offices, have dedicated office space at Blackstone, receive administrative support from Blackstone personnel or participate in meetings and events for Blackstone personnel, even though they are not Blackstone employees or affiliates. This creates a conflict of interest because Blackstone will have an incentive to outsource services to third parties due to a number of factors, including because the fees, costs and expenses of such service providers will be borne by the Clients (with no reduction or offset to management fees) and retaining third parties will reduce Blackstone's internal overhead and compensation costs for employees who would otherwise perform such services in-house.

The involvement of third-party service providers may present a number of risks due to Blackstone's reduced control over the functions that are outsourced. The decision by Blackstone to initially perform a service for a Client in-house does not preclude a later decision to outsource such services (or any additional services) in whole or in part to a third party service provider in the future and the Registrant has no obligation to inform such Clients or investors of such a change. There can be no assurances that Blackstone will be able to identify, prevent or mitigate the risks of engaging third-party service providers. Clients may suffer adverse consequences from actions, errors or failures to act by such third parties, and will have obligations, including indemnity obligations, and limited recourse against them. Outsourcing may not occur uniformly for all Blackstone managed vehicles and accounts and, accordingly, certain costs may be incurred by (or allocated to) a Client through the use of third-party service providers that are not incurred by (or allocated to) other Clients.

***Break-up and other Similar Fees.*** Break-up or topping fees with respect to a Client's investments can be paid to Blackstone Credit, in which case management fees payable by such Client will be offset by the amount of break-up or topping fees attributable to a potential investment by a Client, but not to any amount attributable to a potential investment by Other Clients, Blackstone's side-by-side co-investment vehicles, permanent capital vehicles and/or accounts managed by affiliates of Blackstone and related entities or third parties. Alternatively, a Client could receive the break-up or topping fees directly, in which case there will be no management fee offset. Break-up or topping fees paid to Blackstone Credit or a Client in connection with a transaction could be allocated, or not, to Other Clients or co-investment vehicles that invest (or are expected to invest) alongside Clients, as determined by Blackstone Credit to be appropriate in the circumstances. Generally, Blackstone Credit would not allocate break-up or topping fees with respect to a potential investment to a Client, an Other Client or co-investment vehicle unless such person would also share in Broken Deal Expenses related to the potential investment. With respect to fees received by Blackstone Credit relating to a Client's investments or from unconsummated transactions, investors will not receive the benefit of any fees relating to a Client's investments other than as set forth in the Offering and/or Governing Documents. Any fees that result in an offset of the management fee payable by a Client only apply to the extent it is made as part of the Client's investment in such company. Also, in the case of fees for services as a director of a portfolio company, the management fee payable by a Client will not be reduced or offset to the extent any Blackstone personnel continues to serve as a director after a Client has exited (or is in the process of exiting) the applicable portfolio company and/or following the termination of such employee's employment with Blackstone. For the avoidance of doubt, although the financial advisory and restructuring business of Blackstone has been spun out, to the extent any investment banking fees, consulting (including management consulting) fees, syndication fees, capital markets syndication and advisory fees (including underwriting fees), origination fees, servicing fees, healthcare consulting / brokerage fees, fees relating to group purchasing, financial advisory fees and similar fees for arranging acquisitions and other major financial restructurings, loan servicing and/or other types of insurance fees, operations fees, financing fees, fees for asset services, title insurance fees, and other similar fees and annual retainers (whether in cash or in kind) are received by Blackstone, such fees

will not be required to be shared with a Client or investors and will not result in any offset to the management fee payable by investors.

In connection with certain investments in certain jurisdictions, a Client may contribute capital contributions made by investors for the payment of management fees to a holding vehicle formed in connection with such investment to enable such holding vehicle to pay management fees to an affiliate of Blackstone Credit. To the extent a Client makes such contributions to any such holding vehicle, a Client will be credited with such amounts as if they had been paid by such Client to Blackstone Credit under the Offering and/or Governing Documents (and such amounts paid to an affiliate of Blackstone Credit by such holding vehicle will not, for greater certainty, constitute an additional fee that would offset the management fee payable by a Client, as such amounts do not result in an increase in the total amount of management fees paid to Blackstone Credit and its affiliates had a Client paid the entirety of the management fee to Blackstone Credit).

***Broken Deal Expenses.*** Any expenses that may be incurred by a Client for actual investments as described herein or in the Offering and/or Governing Documents may also be incurred by a Client with respect to broken deals (*i.e.*, investments that are not consummated). Blackstone Credit is not required to and in most circumstances will not seek reimbursement of Broken Deal Expenses (*i.e.*, expenses incurred in pursuit of an investment that is not consummated) from third parties, including counterparties to the potential transaction or potential co-investors. Examples of such Broken Deal Expenses include, but are not limited to, reverse termination fees, extraordinary expenses such as litigation costs and judgments, travel and entertainment expenses incurred, costs of negotiating co-investment documentation, and legal, accounting, tax and other due diligence and pursuit costs and expenses. Any such Broken Deal Expenses will typically, in the sole discretion of Blackstone Credit, be allocated solely to a Client and not to Other Clients or co-investment vehicles that could have made the investment, even when the Other Client or co-investment vehicle commonly invests alongside a Client in its investments or Blackstone or Other Clients in their investments. In such cases, a Client's shares of expenses would increase. In the event Broken Deal Expenses are allocated to an Other Blackstone Credit Client or an Other Client or a co-investment vehicle, Blackstone Credit or a Client may advance such fees and expenses without charging interest until paid by the Other Client or co-investment vehicle, as applicable.

***Allocation of Personnel.*** The relevant General Partner, Blackstone Credit, the Registrant and their respective members, partners, officers and employees will devote as much of their time to the activities of the Clients as they deem necessary to conduct Client business affairs in an appropriate manner. However, Blackstone Credit's personnel, including certain members of the Investment Committee, will work on other projects and/or Other Clients, will serve on other committees and have other responsibilities throughout Blackstone, Blackstone Credit and/or their portfolio companies, and, therefore, conflicts are expected to arise in the allocation of personnel and such personnel's time. Subject to the terms of the applicable Offering and/or Governing Documents, Blackstone Credit and Blackstone expect to form additional investment funds, enter into other investment advisory relationships and engage in other business activities, even though such activities may be in competition with the

Clients and/or may involve substantial time and resources of the Registrant. Furthermore, Blackstone Credit and Blackstone Credit personnel derive financial benefit from these other activities, including fees and performance-based compensation. Firm personnel outside Blackstone Credit may share in the fees and performance-based compensation from a Client; similarly, Blackstone Credit personnel may share in the fees and performance-based compensation generated by Other Clients. These activities could be viewed as creating a conflict of interest in that the time and effort of the members of Blackstone Credit and its officers, managers, members and employees will not be devoted exclusively to the business of the Clients, but will be allocated between the business of the Clients and the management of the monies of such other advisees of Blackstone Credit. In this regard, a group of the Registrant's professionals will be subject to certain devotion of time requirements with respect to the activities of some of Clients (and their respective investments) and their related entities (which may include separate accounts, dedicated managed accounts and/or investment funds formed for specific geographical areas or investments), which may vary among such vehicles.

***Outside Activities of Principals and Other Personnel and their Related Parties.*** Certain personnel of Blackstone will, in certain circumstances, be subject to a variety of conflicts of interest relating to their responsibilities to Clients, Other Clients and their respective portfolio companies, and their outside personal or business activities, including as members of investment or advisory committees or boards of directors of or advisors to investment funds, corporations, foundations or other organizations. Such positions create a conflict if such other entities have interests that are adverse to those of a Client, including if such other entities compete with such Clients for investment opportunities or other resources. The Blackstone personnel in question may have a greater financial interest in the performance of the other Clients than the performance of the Clients. This involvement will create conflicts of interest in making investments on behalf of the Clients and such Other Clients, as the Blackstone personnel in question will be incentivized to devote more time to and direct investment opportunities towards Other Clients instead of Clients due to such differences in financial interests. Although Blackstone Credit will generally seek to minimize the impact of any such conflicts, there can be no assurance they will be resolved favorably for such Clients. Also, Blackstone personnel are generally permitted to invest in alternative investment funds, private equity funds, real estate funds, hedge funds and other investment vehicles, as well as engage in other personal trading activities relating to companies, assets, securities or instruments (subject to Blackstone's Code of Ethics requirements), some of which will involve conflicts of interests where the financial interests of such Blackstone personnel with respect to such personal investments do not align with the interests of the Clients. Such personal securities transactions will, in certain circumstances, relate to securities or instruments which can be expected to also be held or acquired by Other Clients, or otherwise relate to companies or issuers in which the Clients have or acquire a different principal investment (including, for example, with respect to seniority). Blackstone personnel may also buy securities in transactions offered to but rejected by Clients. In such instance, a conflict of interest arises because such investing Blackstone personnel will, for some investments, benefit from the evaluation, investigation and diligence undertaken by Blackstone Credit on behalf of the Client and the investing Blackstone personnel will not share or reimburse the relevant Client(s) for any expenses incurred in connection with the

investment opportunity. In addition, Clients from time to time invest in securities of companies in which Blackstone personnel and other related persons of Blackstone Credit have previously invested for their own accounts. Such persons have differing interests from the Client with respect to such investments (for example, with respect to the availability and timing of liquidity), creating conflicts of interest. There can be no assurance that conflicts of interest arising out of such activities will be resolved in favor of the Clients. Client investors will not receive any benefit from any such investments, and the financial incentives of Blackstone personnel in such other investments could be greater than their financial incentives in relation to the Clients.

**Data.** Blackstone receives or obtains various kinds of data and information from the Clients, Other Clients, their portfolio companies, and investors in the Clients and in Other Clients, including data and information relating to business operations, trends, budgets, customers and other metrics, some of which is sometimes referred to as “big data.” Blackstone may be better able to anticipate macroeconomic and other trends, and otherwise develop investment themes, as a result of its access to (and rights regarding) this data and information from the Clients, Other Clients, their portfolio companies and investors in the Clients and in Other Clients. Blackstone has entered and will continue to enter into information sharing and use arrangements with the Clients, Other Clients, their portfolio companies, certain investors in the Clients and in Other Clients, related parties and service providers, which may give Blackstone access to (and rights regarding) data that it would not otherwise obtain in the ordinary course. Although Blackstone believes that these activities improve Blackstone’s investment management activities on behalf of the Clients and Other Clients, information obtained from the Clients, their portfolio companies and investors in the Clients and in Other Clients also provides material benefits to Blackstone or Other Clients without compensation or other benefit accruing to the Clients or their investors. For example, information from portfolio companies owned by Clients may enable Blackstone to better understand a particular industry and execute trading and investment strategies in reliance on that understanding for Blackstone and Other Clients that do not own an interest in the portfolio company, without compensation or benefit to the Clients or their portfolio companies (or any management fee offset).

Furthermore, except for contractual obligations to third parties to maintain confidentiality of certain information, and regulatory limitations on the use of material non-public information, Blackstone is generally free to use data and information from Client activities to assist in the pursuit of Blackstone’s various other activities, including to trade for the benefit of Blackstone or an Other Client. Any confidentiality obligations in the Offering and/or Governing Documents do not limit Blackstone’s ability to do so. For example, Blackstone’s ability to trade in securities of an issuer relating to a specific industry may, subject to applicable law, be enhanced by information of a portfolio company and/or entity in the same or related industry. Such trading is expected to provide a material benefit to Blackstone without compensation or other benefit to Clients or investors.

The sharing and use of “big data” and other information presents potential conflicts of interest and Clients and their investors acknowledge and agree that any benefits received by Blackstone or its personnel (including fees (in cash or in kind), costs and expenses) will not

be subject to a management fee offset or otherwise shared with Clients or their investors. As a result, the Blackstone Credit has an incentive to pursue investments that have data and information that can be utilized in a manner that benefits Blackstone or Other Clients.

**Data Management Services.** Blackstone or an affiliate of Blackstone formed in the future will provide data management services to portfolio companies, to certain investors in Clients and in Other Clients, and to Clients and Other Clients (collectively, “**Data Holders**”). Such services may include assistance with obtaining, analyzing, curating, processing, packaging, organizing, mapping, holding, transforming, enhancing, marketing and selling such data (among other related data management and consulting services) for monetization through licensing or sale arrangements with third parties and, subject to the limitations in the Offering and/or Governing Documents of Clients and any other applicable contractual limitations, with Clients, Other Clients, portfolio companies, certain investors in Clients and in Other Clients and other Blackstone affiliates and associated entities (including funds in which Blackstone and Other Clients make investments, and portfolio companies thereof). If Blackstone enters into data services arrangements with portfolio companies and receives compensation from such portfolio companies for such data services, Clients will indirectly bear their share of such compensation based on their pro rata ownership of such portfolio companies. Where Blackstone believes appropriate, data from one Data Holder may be pooled with data from other Data Holders. Any revenues arising from such pooled data sets would be allocated between applicable Data Holders on a fair and reasonable basis as determined by Blackstone Credit in its sole discretion, with Blackstone Credit able to make corrective allocations should it determine subsequently that such corrections were necessary or advisable. Blackstone is expected to receive compensation for such data management services, which may include a percentage of the revenues generated through any licensing or sale arrangements with respect to the relevant data, and which compensation is also expected to include fees, royalties and cost and expense reimbursement (including start-up costs and allocable overhead associated with personnel working on relevant matters (including salaries, benefits and other similar expenses)) will not be subject to a management fee offset or otherwise shared with Clients or investors in Clients. Additionally, Blackstone is also expected to determine to share the products from such Data Management Services within Blackstone or its affiliates (including Other Clients or their portfolio companies) at no charge and, in such cases, the Data Holders may not receive any financial or other benefit from having provided such data to Blackstone. The potential receipt of such compensation by Blackstone may create incentives for Blackstone to cause Clients to invest in portfolio companies with a significant amount of data that it might not otherwise have invested in or on terms less favorable than it otherwise would have sought to obtain on behalf of such Clients. (See also “Data” herein.)

**Possible Future Activities.** Blackstone and Blackstone Credit may expand the range of services that they provide over time. Except as provided herein, Blackstone and Blackstone Credit will generally not be restricted in the scope of their business or in the performance of any such services (whether now offered or undertaken in the future) even if such activities could give rise to conflicts of interest, and whether or not such conflicts are described herein. Blackstone and Blackstone Credit have, and will continue to develop, relationships with a significant number of companies, financial sponsors and their senior managers, including

relationships with the Blackstone Clients who may hold or may have held investments similar to those intended to be made by the Clients. These Blackstone Clients may themselves represent appropriate investment opportunities for the Clients or may compete with the Clients for investment opportunities.

***Investors' Outside Activities.*** Investors are generally entitled to and may have business interests and engage in activities in addition to those relating to the Clients, including business interests and activities in direct competition with the Clients and their portfolio companies, and may engage in transactions with, and provide services to, the Clients or their portfolio companies (which may include providing leverage or other financing to the Clients or their portfolio companies as determined by a General Partner in its sole discretion). None of the Clients, any investor or any other person shall have any rights by virtue of the Offering and/or Governing Documents or any related agreements in any business ventures of any investor. The investors, and in certain cases the General Partners (in cases in which the General Partners have an interest in such investors' other business interests), will have conflicting loyalties in these situations.

***Cross and Principal Transactions.*** Situations arise from time to time in which certain assets held by a Client are transferred to Other Clients or Blackstone and/or its affiliates and vice versa, and from time to time a Client acquires investments from and/or sells investments to, Other Clients or Blackstone and/or its affiliates. Such transactions create conflicts of interest because, by not exposing such buy and sell transactions to market forces, a Client may not receive the best price otherwise possible, or Blackstone Credit or its affiliates might have an incentive to improve the performance of one Client or Other Client by selling underperforming assets to another Client in order, for example, to earn fees. Additionally, in connection with such transactions, Blackstone Credit and its affiliates will from time to time have significant investments, or intentions to invest, in the Client or Other Client that is selling and/or purchasing an investment or otherwise have a direct or indirect interest in the investment. Blackstone Credit and its affiliates generally receive management or other fees in connection with their management of the relevant Client and Other Clients involved in such a transaction, and generally are entitled to share in the investment profits of the relevant Clients or Other Clients.

Section 206 under the Advisers Act regulated principal transactions among an investment adviser and its affiliates, on the one hand, and the clients thereof, on the other hand. Very generally, if an investment adviser or an affiliate thereof proposes to purchase a security from, or sell a security to, a client (what is commonly referred to as a "principal transaction"), the adviser must make certain disclosures to the client of the terms of the proposed transaction and obtain the client's consent to the transaction. In connection with the Registrant's management of Clients, the Registrant and its affiliates may engage in principal transactions.

Such transactions will be conducted in accordance with, and subject to, the relevant General Partner's and/or the Registrant's contractual obligations to such Client and the Registrant's policies and procedures. The applicable Offering and/or Governing Documents of a Fund may authorize the General Partner, on behalf of such Fund's investors, to select one or more

investors (or their representatives) not affiliated with the General Partner to serve on such Fund's limited partner advisory committee, the purpose of which will be to consider and, on behalf of the investors, approve or disapprove, to the extent required by applicable law, principal transactions and certain other related party transactions. In certain other circumstances, a cross transaction may be approved by an independent client representative, a board of directors or other party. The determination of whether a transaction or a series of transaction constitutes a cross trade or a principal trade is subject to the Registrant's applicable policies and procedures and will be made in its sole judgment.

***Regulatory Inquiries.*** Blackstone is subject to extensive regulation, including periodic examinations, by governmental agencies and self-regulatory organizations in the jurisdictions in which it operates around the world. These authorities have regulatory powers dealing with many aspects of financial services, including the authority to grant, and in specific circumstances to cancel, permissions to carry on particular activities. Many of these regulators, including U.S. and foreign government agencies and self-regulatory organizations, as well as state securities commissions in the United States, are also empowered to conduct investigations and administrative proceedings that can result in fines, suspensions of personnel, changes in policies, procedures or disclosure or other sanctions, including censure, the issuance of cease-and-desist orders, the suspension or expulsion of a broker-dealer or investment adviser from registration or memberships or the commencement of a civil or criminal lawsuit against Blackstone or its personnel. Moreover, the SEC has specifically focused on the alternative investment industry. The SEC's list of examination priorities includes, among other things, alternative investment firms' collection of fees and allocation of expenses, their marketing and valuation practices, allocation of investment opportunities and other conflicts of interests. Blackstone is regularly subject to requests for information and informal or formal investigations by the SEC and other regulatory authorities, with which Blackstone routinely cooperates and even historical practices that have been previously examined are being revisited. Even if an investigation or proceeding did not result in a sanction or the sanction imposed against Blackstone or its personnel by a regulator were small in monetary amount, the adverse publicity relating to the investigation, proceeding or imposition of these sanctions could harm Blackstone, Blackstone Credit, the Registrant and the Clients. While it is difficult to predict what impact, if any, the foregoing may have, there can be no assurance that any of the foregoing, whether applicable to Blackstone or Blackstone Credit specifically or the underlying private funds in which Blackstone or Blackstone Credit invests generally, would not have a material adverse effect on the Clients and their ability to achieve their investment objectives. As a result, there can be no assurance that any of the foregoing will not have an adverse impact on Blackstone, Blackstone Credit or the Registrant or otherwise impede the Clients' ability to effectively achieve their investment objectives.

***Strategic Relationships.*** Blackstone and Blackstone Credit have entered, and it can be expected that Blackstone or Blackstone Credit in the future will enter, into strategic relationships with investors (and/or one or more of their affiliates) that involve an overall relationship with Blackstone or Blackstone Credit that could incorporate one or more strategies in addition to a Client's strategy ("**Strategic Relationships**"), with terms and conditions applicable solely to each such investor and its investment in multiple Blackstone



or Blackstone Credit strategies that would not apply to any other investor's investment in the Client. A Strategic Relationship often involves an investor agreeing to make a capital commitment to multiple Clients and/or Blackstone Clients, one or more of which may include a Client. Investors will not receive a copy of any agreement memorializing such a Strategic Relationship program (even if in the form of a side letter) and will be unable to elect (for example, in the "most favored nations" election process) any such rights or benefits afforded through a Strategic Relationship. Specific examples of such additional rights and benefits include, among others, specialized reporting, discounts on and/or reimbursement of management fees or performance-based compensation (*e.g.*, carried interest), secondment of personnel from the investor to Blackstone or Blackstone Credit (or vice versa), targeted amounts for co-investments alongside Clients and/or Blackstone Clients (including, without limitation, preferential or favorable allocation of co-investment and preferential terms and conditions related to co-investment or other participation in Blackstone vehicles (including any performance-based compensation and/or management fees to be charged with respect thereto)). The co-investment that is part of a Strategic Relationship may include co-investment in investments made by Clients. Strategic Relationships may therefore result in fewer co-investment opportunities (or reduced allocations) being made available to Clients or to investors in the Funds.

***Advisors, Consultants and Operating Partners.*** The Registrant engages and retains strategic advisors, consultants, senior advisors, executive advisors, industry experts, operating partners, deal sourcers and/or other professionals (which may include former Blackstone and/or Blackstone Credit employees as well as current and former employees of portfolio companies of Blackstone and/or Blackstone Credit) as well as consultants, and other similar professionals who are not employees or affiliates of Blackstone Credit (collectively, "**Consultants**"), including through joint ventures, investment platforms, other entities or similar arrangements, and who, from time to time, receive payments from, or allocations of, performance-based compensation (*e.g.*, carried interest) with respect to, portfolio companies (as well as from the Registrant or the Clients). In particular, in some cases, Consultants, including those with a "Senior Advisor" title, have been and will be engaged with the responsibility to source and recommend transactions to Blackstone Credit or to undertake a build-up strategy to acquire and develop assets and businesses in a particular sector or involving a particular strategy, potentially on a full-time and/or exclusive basis and notwithstanding any overlap with the responsibilities of Blackstone Credit under the Offering and/or Governing Documents, the compensation to such consultants may be borne fully by Clients and/or portfolio companies (with no reduction or offset to management fees payable by a Client) and not Blackstone Credit. In such circumstances, such payments from, or allocations of, performance-based compensation (*e.g.*, carried interest) with respect to, portfolio companies and/or the Clients will be treated as the applicable Clients' expenses and will not, even if they have the effect of reducing any retainers or minimum amounts otherwise payable by the Registrant, be deemed paid to or received by the Registrant, and such amounts will not result in the offset of any management fees otherwise due or be subordinated to return of investors' capital and can be expected to increase the overall costs and expenses borne indirectly by a Client's investors. These Consultants have the right or may be offered the ability to (i) co-invest alongside the Clients, including in the specific investments in which they are involved (and for which they may be

entitled to receive performance-related incentive fees, which will reduce the Clients' returns and will not necessarily be subordinated to the return of investors' capital contributions), or (ii) to otherwise participate in equity plans for management of any such portfolio company, or (iii) to invest directly in the Funds and/or Managed Accounts or in a vehicle controlled by the Funds and/or Managed Accounts subject to reduced or waived management fees, servicing fees and/or performance-based compensation, including after the termination of their engagement by or other status with Blackstone (which generally would reduce the amount invested by the Funds and/or Managed Accounts in any investment). Such co-investment and/or participation (which generally will result in the applicable Client being allocated a smaller share of the applicable investment) will not be considered as part of Blackstone's side-by-side co-investment rights (if applicable). Such co-investment and/or participation may vary by transaction, and such participation may, depending on its structure, reduce the applicable Client's returns and will not necessarily be subordinated to the return of investors' capital contributions. Additionally, and notwithstanding the foregoing, these Consultants, as well as other Blackstone Clients, are expected to be (or have the preferred right to be) investors in the Registrant's portfolio companies (which, in some cases, may involve agreements to pay performance fees, or allocate profits interests, to such persons in connection with a Fund's investment therein, which will reduce Fund returns and will not necessarily be subordinated to the return of Clients' capital contributions) and/or Other Clients. Such Consultants may also be permitted to participate in Blackstone or Blackstone Credit's side-by-side co-investment rights, which generally do not pay a management fee and/or performance-based compensation, as applicable, and generally result in the Clients being allocated a smaller share of an investment than would otherwise be the case in the absence of such side-by-side co-investment rights. In addition, subject to the terms of the Offering and/or Governing Documents of a Fund, the General Partner may permit certain Blackstone personnel and other professionals responsible for portfolio company operations and other similar operational initiatives with respect to one or more portfolio companies to participate in these side-by-side rights on an investment by investment basis. The General Partner intends to limit participation by any such professionals to investments involving the portfolio company with respect to which the General Partner expects in good faith that such professionals will be materially involved following the consummation of such investment. The time, dedication and scope of work of, and the nature of the relationship with each of the Consultants vary considerably. In some cases, they may provide the General Partner and/or the Registrant with industry-specific insights and feedback on investment themes, assist in transaction due diligence, and/or make introductions to and provide reference checks on management teams. In other cases, they take on more extensive roles (and may be exclusive service providers to Blackstone Credit) and serve as executives or directors on the boards of portfolio companies or contribute to the identification and origination of new investment opportunities. In certain instances, the Registrant has formal arrangements with these Consultants (which may or may not be terminable upon notice by any party), and in other cases the relationships are more informal. They are either compensated (including pursuant to retainers and expense reimbursement, and, in any event, pursuant to negotiated arrangements that will not be confirmed as being comparable to the market rates for such services) by the Registrant, the relevant Clients and/or portfolio companies or otherwise uncompensated unless and until an engagement with a portfolio company develops. In certain cases, they have certain

attributes of Blackstone Credit “employees” (*e.g.*, they may have dedicated offices at Blackstone Credit, receive administrative support from Blackstone Credit personnel, participate in general meetings and events for Blackstone Credit personnel, work on Blackstone Credit matters as their primary or sole business activity, service Blackstone Credit exclusively, have Blackstone Credit-related email addresses and/or business cards and participate in certain benefit arrangements typically reserved for Blackstone Credit employees, *etc.*) even though they are not considered Blackstone Credit employees, affiliates or personnel for purposes of the relevant Client’s applicable Offering and/or Governing Documents and any related management fee offset provisions therein. Some Consultants work only for certain Clients and their portfolio companies, while others may have other clients. The determination of whether a particular party is a Consultant will be made by Blackstone Credit, in its sole discretion. Over time, certain existing and former employees of Blackstone (including senior personnel) may transition to a Consultant role, which shifts the burden of compensating such persons from Blackstone to the applicable Client and/or its portfolio companies, and any compensation received by such persons will not reduce any Client management fee. Consultants could have conflicts of interest between their work for Clients and their portfolio companies, on the one hand, and themselves or other clients, on the other hand, and Blackstone Credit is limited in its ability to monitor and mitigate these conflicts. Blackstone Credit expects, where applicable, to allocate the costs of such Consultants to the Client and/or applicable portfolio companies, and to the extent any such costs are allocated to the Client, they would be treated as Client expenses. Payments or allocations to Consultants will not result in a management fee offset, and can be expected to increase the overall costs and expenses borne indirectly by the Client’s investors. There can be no assurance that any of the Consultants and/or other professionals, to the extent engaged, will continue to serve in such roles and/or continue their arrangements with Blackstone Credit, the Clients and/or any portfolio companies for the duration of the relevant investments or throughout the investment period or term of the relevant Clients.

As an example of the foregoing, in certain investments through joint ventures, investment platforms, other entities or similar arrangements, Clients will from time to time enter into an arrangement with one or more individuals (who may be former personnel of Blackstone or current or former personnel of portfolio companies of Clients or Other Clients, may have experience or capability in sourcing or managing investments, and may form a management team) to undertake a build-up strategy to acquire and develop assets and businesses in a particular sector or involving a particular strategy. The services provided by such individuals or relevant portfolio company, as the case may be, could include the following with respect to investments: origination or sourcing, due diligence, evaluation, negotiation, servicing, development, management (including turnaround) and disposition. The individuals or relevant portfolio company could be compensated with a salary and equity incentive plan, including a portion of profits derived from Clients or a portfolio company or asset of a Client, or other long-term incentive plans. Compensation could also be based on assets under management, a waterfall similar to a carried interest, respectively, or other similar metric. Clients could initially bear the cost of overhead (including rent, utilities, benefits, salary or retainers for the individuals or their affiliated entities) and the sourcing, diligence and analysis of investments, as well as the compensation for the individuals and entity undertaking the build-up strategy. Such expenses would be borne either directly by Clients

or indirectly through expenditures by a portfolio company. None of such portfolio companies or Consultants will be treated as affiliates of Blackstone for purposes of Offering and/or Governing Documents and none of the fees, costs or expenses described above will reduce or offset the management fee payable by a Client.

In addition, the General Partner from time to time will engage third parties as Consultants (or in another similar capacity) in order to advise it with respect to existing investments, specific investment opportunities, and economic and industry trends. Such Consultants may receive reimbursement of reasonable related expenses by portfolio companies or Clients and may have the opportunity to invest in a portion of the equity and/or debt available to Clients for investment that would otherwise be taken by the General Partner and its affiliates. If such Consultants generate investment opportunities on a Client's behalf, such Consultants may receive special additional fees or allocations comparable to those received by a third party in an arm's length transaction and such additional fees or allocations would be borne fully by Clients and/or portfolio companies (with no reduction or offset to management fees payable by Clients) and not Blackstone Credit.

***Indemnification; Absence of Recourse.*** Subject to the applicable Offering and/or Governing Documents of a Client, the Clients generally will be required to indemnify the General Partner, the Registrant, Blackstone Credit, certain service providers and their respective affiliates, and their respective officers, directors, employees, shareholders, agents, stockholders, members, partners, independent representatives, service providers and certain other persons who serve at the request of Blackstone Credit or the Registrant on behalf of Clients, as a partner, member, officer, director, employee, service provider or agent of any other entity, including, without limitation, third party advisory committees, for liabilities incurred in connection with the affairs of the Clients. Members of any applicable Client's limited partner advisory committee or an independent client representative (if appointed) may also be entitled to the benefit of certain indemnification and exculpation provisions as set forth in the respective Offering and/or Governing Documents of such Client. Additionally, such parties may be entitled to exculpation by the Clients. Such liabilities may be material and could have an adverse effect on the returns to the Clients' investors. For example, in their capacity as directors of portfolio companies, the partners, managers, or affiliates of Blackstone Credit, the Registrant or the General Partners may be subject to derivative or other similar claims brought by shareholders of such companies. The indemnification obligation of the Clients would be payable from the assets of the applicable Clients, including the unpaid capital commitments of the investors. If the assets of the applicable Clients are insufficient, the General Partners may recall distributions previously made to the investors in such Clients (subject to certain limitations set forth in the respective Offering and/or Governing Documents of each Client). It should be noted that the General Partners or the Registrant may cause the Clients to purchase insurance for the Clients, the General Partners, the Registrant and their employees, agents and representatives. There is no guarantee that such insurance will be available to satisfy losses for which the Clients may be required to provide indemnification, and potential insurance claims will not delay the availability of the advances provided to indemnified persons under the applicable Offering and/or Governing Documents. Indemnification obligations will survive the dissolution of a Client. In addition, because the General Partners may cause the Clients to advance the costs

and expenses of an indemnitee pending the outcome of a particular matter (including a determination as to whether or not the person was entitled to indemnification or engaged in conduct that negated such person's entitlement to indemnification), there may be periods where the Clients are advancing expenses to an individual or entity with whom the Clients are not aligned or are otherwise an adverse party in a dispute. Moreover, a General Partner, in such capacity to a Fund, will, notwithstanding any actual or perceived conflict of interest, be the beneficiary of any decision it makes to provide indemnification, including advancement of expenses. This may be the case with respect to settlement of actions where any indemnitee was alleged to have engaged in conduct that would disqualify any such individual or entity from indemnification or exculpation so long as the General Partner has determined that such disqualifying conduct did not occur.

***Diverse Investor Group.*** Investors in certain Funds are based in a wide variety of jurisdictions and take a wide variety of forms. The investors may have conflicting investment, tax and other interests with respect to their investments in Clients and/or Managed Accounts and with respect to the interests of investors in other investment vehicles managed or advised by the Registrant that may participate in the same investments as the Clients. The conflicting interests of individual investors with respect to other investors and relative to investors in other investment vehicles would generally relate to or arise from, among other things, the nature of investments made by the Clients and such other partnerships, the structuring or the acquisition of investments, financing, tax profile and timing of disposition of investments. As a consequence, conflicts of interest may arise in connection with the decisions made by the Registrant, including with respect to the nature or structuring of investments that may be more beneficial for one investor than for another investor, especially with respect to investors' individual tax situations. In addition, the Clients may make investments that may have a negative impact on related investments made by the investors in separate transactions. In selecting and structuring investments suitable for the Clients, the Registrant will consider the investment and tax objectives of Clients and/or Managed Accounts and their investors (and those of investors in other investment vehicles managed or advised by the Registrant) as a whole, not the investment, tax or other objectives of any investor individually. As a consequence of the foregoing, the General Partner may elect to exclude certain investors from particular investments for legal, tax, regulatory or other reasons applicable to any such investment, or for any other reasons as to which the General Partner and any investor agree, in which case non-excluded investors shall be allocated a greater proportionate interest in such investment.

In addition, certain investors in a Client can be expected to also be investors in Other Clients, including co-investment vehicles that may invest alongside one or more Clients in one or more investments, which could create conflicts for the General Partner in treatment of different investors, which may be resolved in a manner more favorable to certain investors than others. Investors also may include affiliates of Blackstone, such as Other Clients, affiliates of portfolio companies of Clients or Other Clients, charities or foundations associated with Blackstone personnel and/or current or former Blackstone employees, Blackstone's senior advisors and/or operating partners and any affiliates, funds or persons may also invest through the vehicles established in connection with Blackstone and Blackstone Credit's side-by-side co-investment rights, in each case, without being subject to

management fees, servicing fees, and/or carried interest (or otherwise on more favorable terms), and investors will not be afforded the benefit of such arrangements. Some of the foregoing Blackstone and Blackstone Credit related parties are sponsors of feeder vehicles that could invest in a Fund as limited partners. The Blackstone and/or Blackstone Credit related sponsors of feeder vehicles generally charge their investors additional fees, including performance-based fees, which could provide Blackstone and Blackstone Credit current income and increase the value of Blackstone and/or Blackstone Credit's ownership position in such sponsors. Blackstone and Blackstone Credit will therefore have incentives to refer potential investors to these feeder vehicles. All of these Blackstone and/or Blackstone Credit related limited partners will have equivalent rights to vote and withhold consents as nonrelated limited partners, unless otherwise provided by the terms of the Offering and/or Governing Documents. Nonetheless, Blackstone and/or Blackstone Credit may have the ability to influence, directly or indirectly, these Blackstone and/or Blackstone Credit related limited partners.

It is also possible that a Client or its portfolio companies will be counterparties (such counterparties dealt with as described in "Issuer Relationships" above) or participants in agreements, transactions or other arrangements with an investor or an affiliate of such an investor. Such transactions may include agreements to pay performance fees to operating partners, a management team and other related persons in connection with the Client's investment therein, which will reduce the Client's returns and will not necessarily be subordinated to the return of the investor's capital contributions. Such investors described in the previous sentences may therefore have different information about Blackstone, Blackstone Credit and the Clients than investors not similarly positioned. In addition, conflicts of interest may arise in dealing with any such investors, and the General Partner and its affiliates may not be motivated to act solely in accordance with its interests relating to the Clients. Similar information disparity may occur as a result of investors monitoring their investments in vehicles such as the Clients differently. For example, certain investors may periodically request from the General Partner information regarding a Client, its investments and/or portfolio companies that is not otherwise set forth (or has yet to be set forth) in the reporting and other information required to be delivered to all investors. In such circumstances, the General Partner may provide such information to such investor and not to other investors. The General Partner will not be obligated to affirmatively provide such information to all investors (although the General Partner will generally provide the same information upon request and treat investors equally in that regard). As a result, certain investors may receive more information from the General Partner about certain Clients and their portfolio companies, or may receive information about certain Clients and their portfolio companies at an earlier time than other investors, and the General Partner will have no duty to ensure that all investors seek, obtain or process the same information regarding the Clients, their investments and/or portfolio companies. Therefore, certain investors may be able to take actions on the basis of such information which, in the absence of such information, other investors do not take. Furthermore, at certain times Blackstone may be restricted from disclosing to investors material non-public information regarding any assets in which a Client invests, particularly those investments in which an Other Blackstone Credit Client or an Other Client or portfolio company that is publicly registered co-invests with such Client. In addition, investment banks or other financial institutions, as

well as Blackstone and Blackstone Credit personnel, may also be investors in certain Clients. These institutions and personnel are a potential source of information and ideas that could benefit such Clients, and may receive information about the Clients and their portfolio companies in their capacity as a service provider or vendor to the Clients and their portfolio companies.

***Blackstone's Relationship with Pátria.*** On October 1, 2010, Blackstone purchased a 40% equity interest in Pátria Investments Limited and Pátria Investimentos Ltda. (collectively, "**Pátria**"). Pátria is a leading alternative asset manager in Latin America. Pátria's alternative asset management businesses include the management of private equity funds, real estate funds, infrastructure funds and hedge funds (*e.g.*, a multi-strategy fund and a long/short equity fund). On January 26, 2021, Pátria completed its initial public offering ("**IPO**"), pursuant to which Blackstone sold a portion of its interest and no longer has representatives or the right to designate representatives on Pátria's board of directors. As a result of Pátria's pre-IPO reorganization transactions (which included Blackstone's sale of 10% of Pátria's pre-IPO shares to Pátria's controlling shareholder) and the consummation of the IPO, Blackstone is deemed to no longer have significant influence over Pátria due to its decreased ownership and lack of board representation.

***Valuation Matters.*** The fair value of all investments or of property received in exchange for any investments will be determined by the General Partner in accordance with the applicable Offering and/or Governing Documents. Accordingly, the carrying value of an investment may not reflect the price at which the investment could be sold in the market, and the difference between carrying value and the ultimate sales price could be material. The valuation of such investments will be determined by the General Partner in accordance with procedures set forth in the applicable Offering and/or Governing Documents. The valuation methodologies used to value certain investments will involve subjective judgments and valuations and may not be accurate. Certain valuation methodologies will also involve assumptions and opinions about future events, which may or may not turn out to be correct. Ultimate realization of the value of an asset depends to a great extent on economic, market and other conditions beyond Blackstone's control. The valuation of investments will affect the amount and timing of the General Partner's performance-based compensation and, under certain circumstances, the amount of management fees payable to the Registrant. As a result, there may be circumstances where the General Partner or the Registrant, as applicable, is incentivized to determine valuations that are higher than the actual fair value of investments, which may lead to the General Partner or the Registrant, as applicable, being allocated a greater share of distributions than it would otherwise have received, which reduces returns to investors in the Client.

In addition, securities that the Registrant believes are fundamentally undervalued or overvalued may not ultimately be valued in the capital markets at prices and/or within the time frame the Registrant anticipates. In particular, purchasing securities at prices that the Registrant believes to be distressed or below fair value is no guarantee that the price of such securities will not decline even further. There is no guarantee that the fair value as determined by the Registrant will represent the value that will be realized by a Fund on the eventual disposition of the investment or that would, in fact, be realized upon an immediate disposition of the investment.

***Side Letters and Agreements.*** The relevant General Partner, the Registrant and its affiliates (on behalf of themselves and relevant Funds) have entered into and will continue to enter into “side letters” or other similar agreements with certain investors in connection with their admission to the Funds as investors without the approval of any other investor, that have and will have the effect of establishing rights (other than as set forth in the applicable Offering and/or Governing Documents as a general matter) under, or altering or supplementing the terms of the applicable Offering and/or Governing Documents with respect to such investors in a manner more favorable to such investors than those applicable to other investors in the Funds. Such rights or terms in any such side letter or other similar agreement may include, without limitation, (i) excuse or exclusion rights applicable to particular investments (which may increase the percentage interest of other investors in, and contribution obligations of other investors with respect to, such investments, or ultimately restrict the investments made by an applicable Client), (ii) the General Partner’s agreement to extend certain information rights or reporting to such investor, including, without limitation, to accommodate special regulatory or other circumstances of such investor, (iii) waiver or modification of certain confidentiality obligations and/or documentation that might be requested by the General Partner for the benefit of lenders or other persons extending credit to or arranging financing for the Funds, (iv) consent of the General Partner to certain transfers by such investor or other exercises by the General Partner of its discretionary authority under the applicable Fund’s Offering and/or Governing Documents for the benefit of such investor, (v) restrictions on, or special rights of such investor with respect to, the activities of the General Partner, (vi) rights related to the designation of a representative on an investor advisory committee, (vii) withdrawal rights (subject to the consent of the applicable General Partner) due to legal, regulatory or policy matters, including matters related to political contributions, gifts and other such policies, which may materially increase the percentage interest of other investors in, and their contribution obligations for, future investments and expenses, and reduce the overall size of a Client, (viii) other rights or terms necessary in light of particular legal, regulatory or public policy characteristics of an investor, (ix) discounted management fee, servicing fee and performance-based allocation rates and other special economic arrangements, (x) structuring undertakings and restrictions of a Fund with respect to any investment (including any alternative investment vehicle through which such investment may be made), (xi) matters regarding such investor’s (or its affiliates’) interest in providing debt financing to Clients or its portfolio companies, (xii) matters regarding such investor’s (or its affiliates’) right to participate in co-investment opportunities (including economic arrangements with respect to co-investment opportunities, such as a right to fee-free and/or carried interest-free co-investment) or (xiii) additional obligations and restrictions of a Client with respect to the structuring of any investment (including with respect to alternative investment vehicles). Such side letters may permit such investors to take actions on the basis of information not available to other investors that do not have the benefit of such agreements. Any rights or terms so established in a side letter (including, for example, with respect to management fees, servicing fees and performance-based compensation to be charged to such investor) with an investor will govern solely with respect to such investor (but not any of such investor’s assignees or transferees unless so specified in such side letter) and will not



require the approval of any other investor notwithstanding any other provision of the applicable Fund's Offering and/or Governing Documents.

Moreover, notwithstanding the fact that an investor may have a most favored nations provision in its side letter, such investor will not, notwithstanding the terms of such side letter provision, have the right to elect: (a) any rights or benefits unless such investor agrees to be bound by any obligations, restrictions or other terms related to such rights or benefits that have been agreed to with the investor initially granted such rights or benefits and satisfies any conditions upon which such rights and benefits are expressed to be granted, including, without limitation, if a particular provision is conditional upon a certain minimum capital commitment, admission as an investor on or before a certain date, or use of a common advisor; (b) the benefit of any other "most favored nations" provision; (c) any rights or benefits that are personal to another investor based solely on the place of organization or headquarters, organizational form, laws, rules (including those of self-regulatory organizations), regulations or policies or other particular restrictions or considerations applicable to, another investor if not also applicable to such investor; (d) any rights or benefits granted to Blackstone, the General Partner, its partners, members, affiliates or their employees or senior advisors (including, for this purpose, any Other Clients and/or charitable programs, endowments or other similar programs (including any related entities, vehicles and/or accounts) established by or associated with any of the foregoing), Blackstone's senior advisors, operating partners and/or its current or former employees, partners and affiliates; (e) any rights contained in any side letter entered into in connection with the admission of an investor and its affiliates to a Fund and/or Other Clients pursuing a materially different investment strategy or diversified investment program pursuant to an integrated overall arrangement with Blackstone Credit or Blackstone (such as a Strategic Relationship as described above), which side letter, for greater certainty, may remain confidential and not be shared with any other investors; (f) any economic rights or benefits (including a reduction, in whole or in part, in management fees, servicing fees and/or carried interest) established in favor of any investor; (g) any rights related to the regulatory or other particular legal or similar status of another investor, unless such investor has a regulatory, sovereign, tax, ERISA or other particular legal or similar status that is the same as or substantially similar to the status of such other investor and only to the extent such rights are applicable to such investor; (h) in the event such investor is itself an investment partnership or other collective investment vehicle having its own underlying limited partners or other investors or any investor in respect of which a Fund is required to pay a placement agent fee in connection with such investor's admission to such Fund, any economic rights or benefits (including a reduction in management fees or performance-based allocation) established in favor of any other investor; (i) any rights related to the regulatory, sovereign or other particular legal or similar status of another investor, unless such investor has a regulatory or other particular legal or similar status that is the same as or substantially similar to the status of another investor and only to the extent such rights are applicable to such investor; (j) any rights or benefits that relate to appointing a representative or non-voting observer to the investor advisory committee or any rights related thereto; (k) any rights to elect, or receive notice of, any co-investment rights, such as targeted amounts for co-investments alongside a Client (including, without limitations, preferential allocation thereof and the economic and other terms and conditions related to

such participation (by way of example, any carried interest and/or management fees to be charged with respect thereto or with respect to a Client based on targeted co-investments); (l) any rights related to certain information rights or additional reporting to any other investor, including, without limitation, to accommodate special regulatory or other circumstances of such other Limited Partner; (m) any rights or benefits that relate to confirmatory letters or responses provided upon an investor's due diligence requests; (n) any rights or benefits that relate to economic arrangements (including, for example, with respect to the amount of any servicing fees and/or management fees charged to an investor or the calculation of an investor's unpaid capital commitment, which may at various times increase or decrease the percentage interest of other investors in, and their contribution obligations for, investments, fees and expenses); (o) any rights to elect any method of giving notice by one party to another; (p) any rights to elect the accommodations, rights or benefits of any provisions related to anti-money-laundering or OFAC matters; (q) receive any rights in respect of the use and disclosure of confidential information; (r) receive any rights in respect of any subscription line credit facility of a Client; (s) in the event the Investor is itself an investment partnership or other collective investment vehicle having its own underlying limited partners or other investors, receive any economic rights or benefits (including with limitation, a reduction in management fees or carried interest) established in favor of any investor; (t) any rights or benefits that relate to the provision of any documentation or information or any representation, warranty or covenant by an investor, in each case regarding the creditworthiness or suitability of such investor; (u) any rights that relate to any separately managed account that may invest alongside a Client; (v) any rights to elect jurisdiction, forum, alternative dispute resolution or immunities granted to sovereign or supranational entities; (w) any rights granted to any third party feeder fund unaffiliated with a General Partner; (x) any rights in respect of meeting with or attending trainings prepared by a General Partner; (y) any rights in respect of secondment of personnel from the investor to Blackstone (or vice versa) or (z) any rights or benefits that relate to the waiver (or lack thereof) by an investor of any claims, causes of actions and/or remedies.

In addition, Blackstone and Blackstone Credit have entered, and it can be expected that Blackstone and Blackstone Credit will in the future enter, into agreements with investors that involve an overall relationship with Blackstone or Blackstone Credit that could incorporate one or more strategies in addition to the applicable Fund's strategy (Strategic Relationships, as described above) with terms and conditions applicable solely to such investor and its investment in multiple Blackstone or Blackstone Credit strategies that would not apply to any other investor's investment in such Fund. Unless otherwise agreed pursuant to a comparable multi-strategy investment program, investors will not receive a copy of any agreement memorializing such an investment program (even if in the form of a side letter) and will be unable to elect any rights or benefits granted to such multi-strategy investor. See "Strategic Relationships" above.

It is also expected that Blackstone and/or Blackstone Credit will from time to time confirm factual matters to incoming investors in the Funds, make statements of intent or expectation to such investors or acknowledge statements by such incoming investors that relate to the Funds and/or Blackstone or Blackstone Credit's activities pertaining thereto in one or more

respects. In addition, Blackstone and Blackstone Credit may from time to time agree to certain matters relating to knowledge transfer and/or secondments with one or more investors as part of an overall firm relationship. Additionally, it is expected that investors who designate representatives to participate on the limited partner advisory committee of a Fund, if applicable, may, by virtue of such participation, have more information about such Fund and investments in certain circumstances than other investors generally and may be provided information in advance of communication to other investors generally. Any such statements, confirmations, agreements or acknowledgements, including those made in response to an investor's due diligence requests, will not involve the granting of any legal right or benefit, and therefore will not be subject to the "most favored nations" process or election by investors, and as a result investors will not typically receive notice thereof or copies of the documentation (if any) in which they are contained. There can be no assurance that any such arrangements will not have an adverse effect on the Funds or that such arrangements will not influence Blackstone's or Blackstone Credit's activities or the operation of the Funds.

***Use of Leverage.*** Subject to the limitations set forth in the Offering and/or Governing Documents, certain Funds, directly or indirectly through one or more special purpose vehicles, will incur indebtedness, including borrowing money from any person, making guarantees or providing other credit support to any person or incurring any other obligation (including other extensions of credit), in each case for any proper purpose relating to the activities of such Funds, including financing any investment-related activities of the Funds and providing interim financing to the extent necessary to consummate the purchase of investments prior to the receipt of permanent financing or capital contributions or distributions (as applicable). Certain Funds and/or the relevant General Partner will enter into one or more credit facilities or guarantees, and in connection therewith, may pledge the assets of the Funds and may collaterally assign the Funds' rights with respect to capital commitments and rights to the capital contributions of the partners. Subject to the applicable Offering and/or Governing Documents, the Funds may also leverage investment returns with options, short sales, swaps, forwards and other derivative instruments.

The use of leverage presents several risks and conflicts of interest. Although borrowings by the Funds have the potential to enhance overall returns to the extent that returns exceed the Funds' cost of funds, the use of leverage will further diminish returns (or increase losses on capital) to the extent overall returns are less than a Fund's cost of funds. Accordingly, any event that adversely affects the value of an investment by a Fund would be magnified to the extent leverage is used. Where a Fund utilizes borrowings under such Fund's subscription-based credit facility or asset-backed facility (or other facility) in advance or in lieu of receiving capital contributions from investors to repay any such borrowings and related interest expenses, the use of such a facility will impact calculations of returns and will result in a higher or lower reported internal rate of return than if the facility had not been utilized and instead such investors' capital had been contributed at the inception of an investment. This will present conflicts of interest as a result of certain factors, including the interest rate on such borrowings typically being less than the rate of the preferred return and the fact that the Funds' preferred return typically does not accrue on such borrowings, but rather only accrues only on capital contributions when made. As a result, use of such leverage

arrangements with respect to investments may reduce or eliminate the preferred return received by the investors and, in the event the interest rate on borrowings is lower than the hurdle rate, use of leverage arrangements may accelerate or increase distributions of performance-based allocation to the relevant General Partner, providing the Registrant with an economic incentive to fund investments through long-term borrowings in lieu of capital contributions. If the use increases a Client's returns, the General Partner will also be incentivized to use the subscription credit facility because increased returns will likely aid its efforts to market Other Clients to prospective investors. Moreover, the costs and expenses of any such borrowings will generally be allocated among a Fund and any parallel funds *pro rata* or on such other basis that the General Partner determines to be more equitable under the circumstances, which will increase the expenses borne by applicable limited partners and would be expected to diminish net cash on cash returns. In addition, for investments in U.S. corporations by U.S. tax-exempt limited partners, there may be incremental tax costs related to so-called unrelated business tax income. In addition, the General Partner may receive a greater amount of management fees if, following the investment period, borrowings under the facility utilized in lieu of a combination of investors' capital and non-recourse financing for investments remain outstanding.

Certain Funds will utilize subscription credit facilities and enter into other similar arrangements and extensions of credit for the benefit of co-investors, joint venture partners and Other Clients, including Blackstone side-by-side arrangements, which invest alongside such Funds in one or more investments. For example, a Fund may draw from a borrowing to fund a joint venture partner's or co-investor's *pro rata* share of an investment or expense related to an investment. In such circumstances, the General Partner generally intends to disclose such arrangements as part of the periodic reporting or other appropriate communications relating to the Fund and to cause any such co-investors, joint venture partners and Other Clients to bear (or reimburse the Fund for) their *pro rata* share of any interest expenses (but not necessarily origination and other costs) allocable to such extensions of credit. The General Partner may receive direct and indirect benefits from such uses as well, including as a result of the facilitation of co-investment by Other Clients. The relevant Funds will pay interest expenses and other expenses incurred in relation to the lines of credit and will bear a disproportionate amount of credit risk in incurring debt on behalf of other parties.

Subject to the limitations set forth in the Offering and/or Governing Documents, the General Partner maintains substantial flexibility in choosing when and how a Fund's subscription-based credit facilities or asset-backed facilities (or other facilities) are used. The General Partner may adopt from time to time policies or guidelines relating to the use of such credit facilities. Such policies or guidelines may include using the credit facilities to systematically defer calling capital from limited partners (such as seeking to call capital only once a year). In addition to using such facilities to defer capital calls, the General Partner may elect to use fund-level financing for investments made by a Fund including (i) for investments that have a longer lead time to generate cash flow or to acquire assets, (ii) for platform investments that require capital to fund operating expenses prior to developing sufficient scale to self-fund or generate enterprise value, (iii) for investments where cash is retained in the business to fund activity that results in incremental returns for the investment, (iv) to

make margin payments as necessary under currency hedging arrangements, (v) to fund management fees and/or fund expenses otherwise payable by limited partners, (vi) for investments in portfolio companies with revenues in a foreign currency (vii) to lever returns generated by a Fund's investments; and (viii) when the General Partner otherwise determines that it is in the best interests of a Fund. In such instances the Clients would bear the sole liability for the borrowed funds in the event of a default, and as a result, such portfolio company and any of its other investors (including direct investments by the General Partner and any co-investor, including co-investment vehicles) benefit from the credit risk taken by the Client's guarantee. See also **Item 8: Methods of Analysis, Investment Strategies and Risk of Loss.**

Below is a listing of the Registrant's affiliates:

<b>Bank Entity</b>	
Luminor Bank AS*	A Baltic bank purchased by Blackstone Capital Partners
<b>Broker-Dealer Entities</b>	
Alight Financial Solutions, LLC*	Provides self-directed brokerage windows to participants of plan sponsored 401(k) retirement plans
Assetpoint Financial, LLC*	Operates a service that facilitates the entry by banks and other financial institutions in to repurchase agreement transactions for themselves or as agent for their customers
Blackstone Securities Partners L.P.	Provides a variety of limited investment banking services
FEF Distributors LLC*	Serves as distributor and principal underwriter to the First Eagle mutual funds and private investment funds
Incenter Securities Group LLC**	Provides a variety of limited investment banking services
<b>Investment Advisor Entities</b>	
Alight Financial Advisors, LLC (D/B/A Aon Hewitt Financial Advisors, LLC)*	Provides advisory services to participants of plan sponsored 401(k) retirement plans
Blackstone Alternative Asset Management L.P.	Manages a series of private and closed-end funds engaged in multi-manager investment programs ( <i>i.e.</i> , fund of hedge funds)
Blackstone Alternative Investment Advisors L.L.C.	Provides investment advisory services to open end mutual funds and UCITS
Blackstone Alternative Solutions L.L.C.	Provides investment advisory services to private investment funds which participate in a broad range of direct investment opportunities
Blackstone Communications Advisors I L.L.C. (Relying Adviser)	Provides investment advisory services to a private investment fund specializing in communications-related private equity investments
Blackstone Core Equity Advisors L.L.C. (Relying Adviser)	Provides investment advisory services to various private equity funds
Blackstone Credit Systematic Strategies LLC	Provides investment advisory services to debt-focused separately managed accounts, private investment funds, closed-end funds and UCITS funds

Blackstone Growth Advisors L.L.C.	Provides investment advisory services to private growth investment funds
Blackstone Infrastructure Advisors L.L.C.	Provides investment advisory services to one or more infrastructure-focused investment funds
Blackstone Structured Products Advisors LP	Provides investment advisory services to a number of debt-focused separately managed accounts
Blackstone ISG-I Advisors L.L.C.	Provides investment advisory services to one or more private investment funds and managed accounts focusing on fixed income investments and investments across Blackstone's private equity, real asset, credit, hedge fund and opportunistic asset management strategies
Blackstone ISG-II Advisors L.L.C.	Provides investment advisory services to various private investment funds focusing on investments across Blackstone's private equity, real asset, credit, hedge fund and opportunistic asset management strategies
Blackstone Life Sciences Advisors L.L.C.	Provides investment advisory services to Blackstone Life Sciences V L.P.
Blackstone Management Partners L.L.C.	Provides investment advisory services to various private equity funds
Blackstone Management Partners IV L.L.C. (Relying Adviser)	Provides investment advisory services to various private equity funds
Blackstone Multi-Asset Advisors L.L.C.	Provides investment advisory services to various private investment funds focusing on investments across Blackstone's private equity, real asset, credit, hedge fund and opportunistic alternative asset management strategies
Blackstone Property Advisors L.P.	Provides investment advisory services to various private real estate investment funds
Blackstone Real Estate Advisors Europe L.P.	Provides investment advisory services to various real estate investment funds
Blackstone Real Estate Advisors IV L.L.C.	Provides investment advisory services to various private real estate investment funds
Blackstone Real Estate Advisors V L.P.	Provides investment advisory services to various private real estate investment funds
Blackstone Real Estate Advisors L.P.	Provides investment advisory services to various private real estate investment funds
Blackstone Real Estate Income Advisors L.L.C.	Provides investment advisory services to one or more registered closed-end real estate investment funds
Blackstone Real Estate Special Situations Advisors (Isobel) L.L.C. (Relying Adviser)	Provides investment advisory services to private investment funds and accounts which invest primarily in public and private debt and other interests of real estate assets and real estate-related holdings
Blackstone Real Estate Special Situations Advisors L.L.C.	Provides investment advisory services to various private real estate investment funds
Blackstone Strategic Alliance Advisors L.L.C.	Manages a series of private funds engaged in a hedge fund "seeding" program

Blackstone Strategic Capital Advisors L.L.C.	Manages private funds engaged in acquisitions of minority interests in alternative asset managers
Blackstone Tactical Opportunities Advisors L.L.C.	Provides investment advisory services to multi-discipline, multi-asset class private funds and separately managed accounts
Blackstone Treasury Solutions Advisors L.L.C.	Provides investment advisory services to funds invested primarily in diversified fixed income and hedge fund products
BSCA Advisors L.L.C.	Provides investment advisory services to certain co-investment vehicles relating to funds managed by Blackstone Strategic Capital Advisors L.L.C.
BX REIT Advisors L.L.C.	Provides investment advisory services to a public, non-traded REIT
BXMT Advisors L.L.C.	Provides investment advisory services to a REIT and other investment vehicles
Clarus Ventures, LLC	Provides investment advisory services to various private investment funds specializing in the life sciences industry
CT High Grade Partners II Manager, LLC (Relying Adviser)	Provides investment advisory services to real estate debt and securities private funds, managed accounts and CDOs focused on loans and securities backed by commercial real estate assets
CT Investment Management Co., LLC	Provides investment advisory services to real estate debt and securities private funds, managed accounts and CDOs focused on loans and securities backed by commercial real estate assets
First Eagle Alternative Credit, LLC*	Provides investment advisory services for both direct lending and broadly syndicated investments, through public and private vehicles, collateralized loan obligations, separately managed accounts and co-mingled funds
First Eagle Separate Account Management, LLC*	Investment adviser created to provide investment advisory services to a business development company that has not yet launched
First Eagle Investment Management, LLC*	Provides investment advisory services to mutual funds, private investment funds, institutional accounts and high net worth individuals
Blackstone Credit BDC Advisors LLC	Provides investment advisory services to a debt-focused investment company electing to do business as a business development company
Blackstone Liquid Credit Advisors I LLC	Provides investment advisory services to a number of debt-focused private investment funds and separately managed accounts
Blackstone Liquid Credit Advisors II LLC (Relying Adviser)	Provides investment advisory services to a number of debt-focused separately managed accounts
Blackstone Alternative Credit Advisors LP	Provides investment advisory services to a number of debt-focused private investment funds and closed-end funds

Harvest Fund Advisors LLC	Provides investment advisory services to various categories of institutions and high net worth individuals via private pooled investment vehicles and separate accounts investing principally in publicly-traded energy infrastructure Master Limited Partnerships and the North American energy market
Finance of America Capital Management LLC**	Provides investment advisory services to mortgage related asset private funds and managed accounts
Strategic Partners Fund Solutions Advisors L.P.	Provides investment advisory services to a number of pooled investment and custom vehicles operating as private investment funds
First Eagle Alternative Capital BDC, Inc.*	Provides investment advisory services to certain private funds and separate accounts that have invested alongside First Eagle Alternative Capital BDC, Inc.
First Eagle Direct Lending Manager III, LLC* (Relying Adviser)	Serves as the manager of a private direct lending fund
NIBC Bank N.V.***	Entity is an advisory/banking affiliate of NIBC, a PE and BTO portfolio company
NIBC Credit Management, Inc.***	Entity is an advisory affiliate of NIBC, a PE and BTO portfolio company
Blackstone Europe Fund Management S.a.r.l.	Provides services to various alternative investment funds
Blackstone Singapore Pte Ltd	Singapore investment advisory firm, which serves as a sub-advisor to affiliates of the registrant and also provides investment advisory services to funds controlled by the registrant
The Blackstone Group (HK) Limited	Hong Kong investment advisory firm, which serves as a sub-advisor to affiliates of the registrant and also has a broker-dealer license for fund marketing
The Blackstone Group International Partners LLP	U.K. investment advisory firm, which serves as a sub-advisor to affiliates of the registrant
The Blackstone Group Japan K.K.	Japanese investment advisory firm, which serves as a sub-advisor to affiliates of the registrant and also has a broker-dealer license for fund marketing
<b>Registered Commodity Trading Advisor and/or Registered Commodity Pool Operator Entities</b>	
Blackstone Alternative Asset Management L.P. (CTA/CPO)	Manages a series of private and closed-end funds engaged in multi-manager investment programs ( <i>i.e.</i> , fund of hedge funds)
Blackstone Alternative Investment Advisors LLC (CTA/CPO)	Provides investment advisory services to open end mutual funds and UCITS
Blackstone Alternative Solutions L.L.C. (CTA/CPO)	Provides investment advisory services to private investment funds which participate in a broad range of direct investment opportunities
Blackstone Strategic Alliance Advisors L.L.C. (CTA/CPO)	Manages a series of private funds engaged in a hedge fund “seeding” program



Blackstone Strategic Capital Advisors L.L.C. (CPO)	Manages private funds engaged in acquisitions of minority interests in alternative asset managers
Blackstone Treasury Solutions Advisors L.L.C. (CPO)	Provides investment advisory services to funds invested primarily in diversified fixed income and hedge fund products
<b>Insurance Entities</b>	
Agents National Title Holding Company**	A wholly owned subsidiary of Incenter and is a title insurance broker serving consumers and lenders through a network of independent title agents
Boston National Holdings LLC**	A wholly owned subsidiary of Incenter and is a title insurance agency
HealthMarkets Insurance Agency, Inc.*	An independent health insurance agency that distributes healthcare and Medicare advantage insurance products from more than 200 insurance companies, as well as its own underwritten supplemental insurance products
Gryphon Mutual Insurance Company****	A captive property insurance company
Lexington National Land Services	A wholly owned title and escrow agent
Partners Life Limited**	Life and medical insurance company in New Zealand

\* Portfolio company of affiliated private equity fund

\*\* Portfolio company of affiliated tactical opportunities funds

\*\*\* Portfolio company of affiliated private equity and tactical opportunities funds

\*\*\*\* Portfolio company owned by its participants, including Blackstone Real Estate Funds, and managed by an affiliate of Blackstone

Various management personnel are registered with our broker-dealer, BSP, which serves as placement agent to Clients but is not compensated for such services.

## Item 11: Code of Ethics

As required by the Advisers Act, Blackstone and Blackstone Credit have adopted a Code of Ethics (the “**Code**”) that governs a number of potential conflicts of interest that exist in connection with the Clients under management. This Code is designed to enable the Registrant to meet its fiduciary obligation to Clients (or prospective Clients) and to instill a culture of compliance within the Registrant. An additional benefit of the Code is to assist Blackstone and Blackstone Credit in preventing violations of securities laws. The Code is distributed to each employee at the time of hire and annually thereafter, and it is available on Blackstone’s intranet website.

The Code addresses, among other things, the following:

- requirements related to confidentiality;
- limitations on, and reporting of, gifts and entertainment;
- pre-clearance of political contributions;
- pre-clearance and reporting of employee personal securities transactions;
- restrictions on purchasing single-name public securities in employee self-directed personal securities trading accounts;
- pre-clearance of outside business activities; and
- protection of persons who engage in “whistle blowing” activities from retaliation.

On an annual basis, the Registrant requires all employees to certify that they are in compliance with the Code.

The Registrant offers many different products and services across its many businesses, and several potential conflicts of interest may arise. Please see **Item 10 – Other Financial Industry Activities and Affiliations** for a list of certain relevant investment related potential conflicts.

Subject to the Code and with proper approval, the Registrant’s employees may buy or sell, for their personal accounts, securities that may also be purchased or sold for Client accounts. Such personal securities transactions and investments will, in certain circumstances, result in conflicts of interest, including to the extent they relate to (i) a company in which the Funds hold or acquire an interest (either directly through a privately negotiated investment or indirectly through the purchase of securities or other traded instruments related thereto) and (ii) entities that have interests which are adverse to those of the Funds or pursue similar investment opportunities as the Funds. The Registrant and its employees are subject to guidelines governing the ability to trade in personal accounts, including a prohibition on purchasing single-name public securities in employee self- directed personal securities trading accounts. The guidelines also generally require that such trading be conducted for investment rather than speculative purposes and that certain non-restricted personal securities transactions receive pre-clearance from the legal and compliance department. These guidelines are reasonably designed to comply with SEC requirements that registered investment advisors have a Code of Ethics, and are intended to assist Blackstone with identifying and mitigating actual or potential conflicts of interest with Blackstone’s clients that may arise as a result of such transactions. In addition, Blackstone has implemented

certain policies and procedures (*e.g.*, information walls) to restrict access to material non-public information. The Blackstone Legal and Compliance Department is responsible for overseeing compliance with the requirements of the Code, which requirements include, but are not limited to, reporting of personal investment activities, accounts, pre-clearance of personal securities transactions, reporting of certain investment transactions and periodic compliance certifications.

The Code is available for review upon request. To request a copy of the Code, please contact Panayiota (Toula) Bougiamas, the Chief Compliance Officer of the Registrant, at +1 (212) 503-2100.

## Item 12: Brokerage Practices

**Best Execution.** Portfolio transactions for Clients will be allocated to brokers and dealers on the basis of best execution (which may include, among other items, the consideration of such broker's or dealer's ability to effect transactions, its facilities and financial responsibility). The SEC generally describes "best execution" as a duty to seek to execute securities transactions so that a client's total costs or proceeds in each transaction are the most favorable under the circumstances. The SEC also has stated that when seeking best execution the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution.

Blackstone Credit considers the full range and quality of broker services including expertise and ability to perform execution services; ability to execute transactions in the markets at competitive prices without disrupting the market for a particular security; range of services provided and products offered (*e.g.*, securities lending, margin lending, capital introduction, start-up services, reporting, research, valuation); quality and timeliness of market information provided; ability of broker to maintain confidentiality; relationship management/sales coverage; credit worthiness and financial responsibility; operational expertise; ability to maintain confidentiality; trading volumes; fees; and commission rate or spread involved.

Clients' securities transactions can be expected to generate brokerage commissions and other compensation, all of which the Clients, and not Blackstone Credit or any of its affiliates, will be obligated to pay.

Certain of Blackstone Credit's brokers and other service providers or their respective affiliates are also Clients or investors in the Funds. As consideration for services provided, these brokers and other service providers will receive reasonable and customary fees or commissions.

Certain Blackstone Credit personnel involved in European investment advisory activities are subject to prohibitions against "inducements" under the Markets in Financial Instruments Directive (Directive 2014/65/EU) ("**MiFID II**"), and therefore provide reasonable compensation for research and other services provided by brokers.

Notwithstanding the foregoing, Blackstone Credit does not "pay up" for research or other services provided by any brokers through the commission rate (*e.g.*, Blackstone Credit does not use "soft dollars").

The Head of Middle Office and Risk Management is responsible for the implementation and oversight of the counterparty approval process. The Data Governance Team functions within Middle Office and Operations to provide an optimal control framework between Trading and Legal/Compliance. The Data Governance Team consults with Legal/ Compliance and Traders for due diligence of a potential counterparty to confirm that adequate "know your customer" and credit reviews have been conducted. It is also responsible for maintaining trade workflow controls, with the objective of confirming that trades are executed only with

parties that are either on the Approved Counterparty List or that have otherwise received an approval from the Head of Middle Office and Risk Management and Legal/Compliance on a per trade basis.

***Allocation and Aggregation Policy.*** Blackstone Credit is committed to transacting in securities and loans in a manner that is consistent with the investment objectives of each of the Clients, and to allocating investment opportunities (including purchase and sale opportunities) among the Clients on a fair and equitable basis. Clients and investors should be aware that, subject to various conditions set forth in the respective Offering and/or Governing Documents, certain Clients will receive priority with respect to certain investment allocations. In particular, certain Clients have been and will be designed, in whole or in part, to participate in investment opportunities in respect of which certain Other Clients will receive a primary allocation. Any Client, in respect of the relevant Fund or any Other Client and any investment opportunity, to the extent established to generally receive an allocation of an investment opportunity with priority over certain Other Clients, as determined by Blackstone Credit in its sole discretion, will herein be referred to as a “**Blackstone Credit Primary Client.**” Any Client, in respect of the relevant Fund or any Other Client and any investment opportunity, to the extent established to generally receive an allocation of such investment opportunity only to the extent that the amount of an investment opportunity exceeds the amount of the investment required to be made available or otherwise deemed appropriate for the relevant Blackstone Credit Primary Clients, as determined by Blackstone Credit in its sole discretion, will herein be referred to as a “**Blackstone Credit Overflow Client.**”

The respective investment programs of a given Client and Other Clients may or may not be substantially similar. Blackstone Credit and/or Blackstone may give advice to (and recommend securities for) Other Clients that may differ from advice given to, or securities recommended or bought for, the relevant Client, even though their investment objectives may be the same as or similar to those of the relevant Client. While Blackstone Credit will seek to manage potential conflicts of interest in a fair and equitable manner, the portfolio strategies employed by Blackstone Credit and Blackstone in managing their respective Other Clients are likely to conflict from time to time with the transactions and strategies employed by Blackstone Credit in managing the relevant Client and may affect the prices and availability of the loans, securities and instruments in which the relevant Client invests and there is no assurance that such conflicts will be resolved in a manner favorable to the relevant Client. Conversely, participation in specific investment opportunities may be appropriate, at times, for both the relevant Client and Other Clients.

Blackstone Credit from time to time establishes one or more Blackstone Credit Overflow Clients to receive an allocation of any investment in the investment strategy of a Blackstone Credit Primary Client that exceeds the amount required to be made available or otherwise deemed appropriate for the Blackstone Credit Primary Client, as determined by Blackstone Credit, in its sole discretion. Blackstone Credit Overflow Clients may not always participate in opportunities allocated to investment funds that constitute Blackstone Credit Primary Clients, though such opportunities may be allocated to Blackstone Credit Overflow Clients.

Blackstone currently invests third-party capital in a wide variety of investment opportunities on a global basis through its various investment funds (including Other Clients), some of which have investment objectives or guidelines in common with those of Clients. To the extent any Other Clients have investment objectives or guidelines in common with those of Clients in any respect, then investment opportunities and sale opportunities which are within such common objectives and guidelines shall be allocated between such Clients, on the one hand, and such Other Clients, on the other hand, by Blackstone on a basis that Blackstone believes in good faith to be fair and reasonable (which may result in certain Clients not participating in all or a portion of any such investment opportunity or in a larger portion of any such investment opportunity).

***Priority: Overflow Opportunities.*** Investment opportunities that fall within the investment objective of one or more Blackstone Credit Overflow Clients and also within the investment objective of one or more Blackstone Credit Primary Clients, will generally be offered first to the relevant Blackstone Credit Primary Clients and then be offered by Blackstone Credit in its sole discretion to any third party or any member, shareholder or equivalent equity holder of such Blackstone Credit Primary Client that is interested in co-investment opportunities before being offered to a Blackstone Credit Overflow Client. Accordingly, there can be no assurance a Blackstone Credit Overflow Client will be allocated the excess of any appropriate opportunities not taken by the applicable Blackstone Credit Primary Client.

***Priority: Other Opportunities.*** Investment opportunities will generally be allocated to the relevant Client and certain Other Clients with similar investment objectives as the relevant Client as between the relevant Client and such Other Clients, *pro rata* based on targeted acquisition size (generally based on available or committed capital) or targeted sale size (generally the aggregate positions held by the applicable Other Clients) for such investment. In assessing targeted sizes, Blackstone Credit may take into account capital commitments, available cash and the relative capital of the respective funds and accounts, industry concentration, the portion of the portfolio dedicated to a particular strategy, any restrictions or guidelines set forth in the Offering and/or Governing Documents of such Clients and such other factors as Blackstone Credit determines in good faith to be appropriate.

Notwithstanding anything to the contrary, Blackstone Credit may also consider the following factors in making any allocation determinations, and such factors may result in a different allocation of investment and/or sale opportunities: (a) the risk-return and target return profile of the proposed investment relative to the relevant Clients' current risk profiles; (b) the relevant Clients' investment guidelines, restrictions, terms and objectives, including whether such objectives are considered solely in light of the specific investment under consideration or in the context of the respective portfolios' overall holdings; (c) the need to re-size risk in the relevant Clients' portfolios (including the potential for the proposed investment to create an industry, sector or issuer imbalance within Clients' portfolios, as applicable) and taking into account any existing non-*pro rata* investment positions among the portfolios of the relevant Clients; (d) liquidity considerations of relevant Clients', including during a ramp-up or wind-down of one or more Client, proximity to the end of a Client's specified term or investment period, any redemption/withdrawal requests from or with respect to a Client, anticipated future contributions and available cash; (e) legal, tax, accounting, political, national security and other consequences; (f) regulatory or contractual

restrictions or consequences (including, without limitation, requirements under the Investment Company Act and any related rules, orders, guidance or other authority applicable to Clients or Other Blackstone Credit Clients); (g) avoiding a *de minimis* or odd lot allocation; (h) availability and degree of leverage and any requirements or other terms of any existing leverage facilities; (i) a Client's investment focus on a classification attributable to an investment or issuer of an investment, including investment strategy, geography, industry or business sector; (j) the nature and extent of involvement in the transaction on the part of the respective teams of investment professionals dedicated to a Client; (k) the management of any actual or potential conflict of interest; (l) with respect to any investments that are made available to Blackstone Credit by counterparties pursuant to negotiated trading platforms (e.g., ISDA contracts), the absence of such relationships, which may not be available for all Clients; (m) available capital of a Client and Other Blackstone Credit Clients; (n) primary and permitted investment strategies and objectives of a Client and Other Blackstone Credit Clients including, without limitation, with respect to Other Blackstone Credit Clients that expect to invest in or alongside other funds or across asset classes based on expected return (such as certain managed accounts with similar investment strategies and objectives); (o) sourcing of the investment; (p) the specific nature (including size, type, amount, liquidity, holding period, anticipated maturity and minimum investment criteria) of the investment; (q) expected investment return; (r) expected cash characteristics (such as cash-on-cash yield, distribution rates or volatility of cash flows); (s) capital expenditure required as part of the investment; (t) portfolio diversification concerns (including, but not limited to, whether a particular Client already has its desired exposure to the investment, sector, industry, geographic region or markets in question); (u) relation to existing investments in a Client, if applicable (e.g., "follow on" to existing investment, joint venture or other partner to existing investment, or same security as existing investment); and (v) any other considerations deemed relevant by Blackstone Credit in good faith. For the avoidance of doubt and notwithstanding anything herein to the contrary, an affiliate of Blackstone Credit may be allocated for its own account a portion of certain origination opportunities that otherwise would be appropriate investment opportunities for a Client.

Blackstone Credit shall not have any obligation to present any investment opportunity (or portion of any investment opportunity) to a Client if Blackstone Credit determines in good faith that such opportunity (or portion thereof) should not be presented to such Client for any one or a combination of the reasons specified above, or if Blackstone Credit is otherwise restricted from presenting such investment opportunity to the Client.

In addition, Blackstone Credit has received an exemptive order from the SEC (the "**Exemptive Order**") that permits certain existing and future funds regulated under the Investment Company Act (each, a "**Regulated Fund**") that are Clients of Blackstone Credit, among other things, to co-invest with certain other persons, including certain affiliates of Blackstone Credit, and certain funds managed and controlled by Blackstone Credit and its affiliates, including Clients, subject to certain terms and conditions. For so long as any privately negotiated or other investment opportunity falls within certain established investment criteria of one or more Regulated Funds, such investment opportunity shall also be offered to such Regulated Fund(s). In the event that the aggregate targeted investment sizes of the Clients and such Regulated Fund(s) that were allocated the investment opportunity exceed the amount of such investment opportunity, allocation of such investment

opportunity to each such Client and Regulated Fund(s) will be reduced proportionately based on their respective “available capital” as defined in the Exemptive Order, which may result in allocation to certain Clients in an amount less than what they would otherwise have been if such Regulated Fund(s) did not participate in such investment opportunity. The Exemptive Order also restricts the ability of Clients from investing in any privately negotiated investment opportunity alongside a Regulated Fund except at the same time and on same terms, as described in the Exemptive Order. As a result, certain Clients may be unable to make investments in different parts of the capital structure of the same issuer in which a Regulated Fund has invested or seeks to invest, and Regulated Funds may be unable to make investments in different parts of the capital structure of the same issuer in which Clients have invested or seek to invest. The rules promulgated by the SEC under the Investment Company Act, as well as any related guidance from the SEC and/or the terms of the Exemptive Order itself, are subject to change, and Blackstone Credit could undertake to amend the Exemptive Order (subject to SEC approval), obtain additional exemptive relief, or otherwise be subject to other requirements in respect of co-investments involving certain Clients and any Regulated Funds, any of which may impact the amount of any allocation made available to Regulated Funds and thereby affect (and potentially decrease) the allocation made to certain Clients.

Moreover, with respect to Blackstone Credit’s ability to allocate investment opportunities, including where such opportunities are within the common objectives and guidelines of the Client and one or more Other Clients (which allocations are to be made on a basis that Blackstone Credit believes in good faith to be fair and reasonable), Blackstone Credit and Blackstone have established general guidelines, which may be updated from time to time, for determining how such allocations are to be made, which, among other things, set forth principles regarding what constitute “debt” or “debt-like” investments, criteria for defining “control-oriented equity” or “infrastructure” investments, guidance regarding allocation for certain types of investments (*e.g.*, distressed investments) and other matters. In addition, certain Other Clients may receive certain priority or other allocation rights with respect to certain investments, subject to various conditions set forth in such Other Clients’ respective governing agreements. The application of those guidelines and conditions may result in certain Clients not participating (and/or not participating to the same extent) in certain investment opportunities in which they otherwise would have participated had the related allocations been determined without regard to such guidelines and conditions and based only on the circumstances of those particular investments. Additionally, investment opportunities sourced by Blackstone Credit will be allocated in accordance with Blackstone’s and Blackstone Credit’s allocation policies, which may provide that investment opportunities, including those sourced by Blackstone Credit, will be allocated in whole or in part to other business units of Blackstone on a basis that Blackstone and Blackstone Credit believe in good faith to be fair and reasonable, based on various factors, including the involvement of the respective teams from Blackstone Credit and such other business units. It should also be noted that investment opportunities sourced by business units of Blackstone other than Blackstone Credit will be allocated in accordance with such business units’ allocation policies, which will result in such investment opportunities being allocated, in whole or in part, away from Blackstone Credit, Clients and Other Blackstone Credit Clients.

In circumstances in which any Other Clients have investment objectives or guidelines that overlap with those of certain Clients, in whole or in part, Blackstone and/or Blackstone



Credit generally determine the relative allocation of investment opportunities among such vehicles on a fair and reasonable basis in good faith according to guidelines and factors determined by Blackstone and/or Blackstone Credit. However, such good faith determinations could be based on expectations that may prove inaccurate. Information unavailable to Blackstone Credit, or circumstances not foreseen by Blackstone Credit at the time of allocation, may cause an investment opportunity to yield a different return than expected. Conversely, an investment that Blackstone Credit expects to be consistent with certain Clients' return objectives may fail to achieve them. Blackstone and Blackstone Credit make allocation determinations based solely on its expectations at the time such investments are made, though investments and their characteristics may change and there can be no assurance that an investment would not prove to have been more suitable for another Client or Other Client in hindsight.

When Blackstone Credit determines not to pursue for a Client some or all of an investment opportunity that would otherwise be within a Client's objectives and strategies, and Blackstone or Blackstone Credit provides the opportunity or offers the opportunity to Other Clients, Blackstone or Blackstone Credit, including their personnel, may receive compensation from the Other Clients, whether or not in respect of a particular investment, including an allocation of performance-based compensation, referral fees or revenue share, and any such compensation could be greater than amounts paid by such Client to Blackstone Credit. As a result, Blackstone Credit (including personnel who receive such compensation) experiences a conflict of interest because it (and its personnel) could be incentivized to allocate investment opportunities away from certain Clients or to source investment opportunities for Other Clients, which could result in fewer opportunities (or reduced allocations) being made available to the Clients or to the investors in the Clients as co-investment. In addition, in some cases Blackstone or Blackstone Credit may earn greater fees when Other Clients participate alongside or instead of the Client in an investment.

Additionally, it can be expected that Blackstone Credit and/or Blackstone will, from time to time, enter into arrangements or strategic relationships with third parties, including other asset managers, financial firms or other businesses or companies, that, among other things, provide for referral, sourcing or sharing of investment opportunities. It is possible that one or more Clients will, along with Blackstone Credit and/or Blackstone itself, benefit from the existence of those arrangements and/or relationships. It is also possible that investment opportunities that otherwise would be presented to or made by one or more Clients would instead be referred (in whole or in part) to such third party or to other third parties, either as a result of a contractual obligation or otherwise, resulting in fewer opportunities (or reduced allocations) being made available to certain Clients and/or investors. Blackstone Credit faces a conflict of interest in connection with such arrangements as Blackstone Credit may be incentivized to enter into such arrangements to secure economic and other benefits from such parties, though such arrangements may prevent profitable opportunities from being allocated to Clients. This means that co-investment opportunities that are sourced by Blackstone Credit and/or Blackstone will from time to time be allocated to investors that are not investors in any Client. For example, a firm with which Blackstone Credit and/or Blackstone has entered into a strategic relationship will from time to time be afforded with "first call" rights on a particular category of investment opportunities, although there is not

expected to be substantial overlap in the investment strategies and/or objectives between certain Clients and any such firm.

Aggregation opportunities for Blackstone Credit generally arise when more than one Client or Other Client is capable of purchasing or selling a particular asset based on investment objectives, available cash, and other factors. Blackstone Credit will generally execute transactions on behalf of Clients and, if applicable, Other Clients on an aggregated basis when we believe that to do so will allow us to obtain best execution and to negotiate more favorable commission rates or other transaction costs that might have otherwise been paid had such orders been placed independently. When aggregating orders, Clients and Other Clients will be treated in a fair and equitable manner, provided that certain trades may not be aggregated by Blackstone Credit to the extent that the participating Clients or Other Clients do not have the same counterparty relationship established. An “aggregated order” means an order placed by Blackstone Credit on behalf of one or more Clients that does not specify to the counterparty: (a) the allocation among Clients, groups of Clients or Other Clients and (b) that any partial fills should be allocated *pro rata* among Clients, groups of Clients or Other Clients in accordance with the specified allocation unless otherwise designated in an allocation worksheet, if applicable. Each Client that participates in the allocation of an aggregated order will participate in such allocation at the same price for that investment on a given business day, with aggregated transaction costs shared *pro rata* based on each individual Client’s participation in the investment (subject to the terms of certain Clients’ Offering and/or Governing Documents).

***Co-investment Opportunities.*** Clients from time to time co-invest with investors, Blackstone’s affiliates and other parties with whom Blackstone Credit has a material relationship. The allocation of co-investment opportunities is entirely and solely in the discretion of Blackstone Credit. In addition to participation by Consultants in specific transactions or investment opportunities, Consultants and/or other Blackstone employees are from time to time permitted to participate in Blackstone’s side-by-side co-investment rights. Such rights generally do not pay a management fee or performance-based compensation and generally result in a Client being allocated a smaller share of an investment than would otherwise be the case in the absence of such side-by-side. Furthermore, Other Clients will be permitted (or have a preferred right) to participate in Blackstone/Blackstone Credit’s side-by-side co-investment rights. In particular, funds, vehicles, accounts and other similar arrangements managed by Blackstone Multi-Asset Advisors L.L.C., which co-invest with multiple Blackstone funds, are expected to participate in investments alongside the Clients pursuant to Blackstone/Blackstone Credit’s side-by-side investment rights. In lieu of all or a portion of the side-by-side investment described above, one or more of the permitted Blackstone Credit and/or Blackstone participants described above may instead elect to make capital contributions directly to a Client. In either of these situations, Blackstone would be eligible to receive fees and performance-based compensation, and whether Blackstone receives such fees will be determined in Blackstone’s sole discretion. Blackstone’s ability to receive fees from such co-investment parties creates an incentive to allocate to such parties a portion of investment opportunities. Subject to the terms of the relevant Offering and/or Governing Documents, the relevant General Partner or Blackstone Credit from time to time causes a Client to initially acquire a portion of an investment for the purpose of syndicating such

portion to one or more potential co-investment vehicles established and/or controlled by the General Partner, Blackstone Credit and/or their affiliates.

In certain circumstances, Blackstone Credit will determine that a co-investment opportunity should be offered to one or more third parties (such investors, “**Co-Investors**”), including investors in one or more Clients (such Co-Investors that are investors in the applicable Fund, “**LP Co-Investors**”). Blackstone Credit will maintain discretion with respect to which Co-Investors are offered any such opportunity. It is expected that many investors who may have expressed an interest in co-investment opportunities will not be allocated any co-investment opportunities or may receive a smaller amount of co-investment opportunities than the amount requested. Furthermore, co-investment offered by Blackstone Credit will be on such terms and conditions (including with respect to management fees, performance-based compensation and related arrangements and/or other fees applicable to co-investors) as Blackstone Credit determines to be appropriate in its sole discretion on a case-by-case basis, which may differ amongst Co-Investors with respect to the same co-investment opportunity. In addition, the performance of Other Clients co-investing with a Client is not considered for purposes of calculating the carried interest payable by such Client to a General Partner. Furthermore, a Fund and Co-Investors will often have different investment objectives and limitations, such as return objectives and maximum hold period. Blackstone Credit, as a result, will have conflicting incentives in making decisions with respect to such opportunities. Even if Clients and any such parties invest in the same securities on similar terms, conflicts of interest will still arise as a result of differing investment profiles of the investors, among other items, and there is no guarantee that decisions will be made in a manner that prioritizes the interests of Clients over those of such other parties.

**General Co-Investment Considerations.** There are expected to be circumstances where an amount that would otherwise have been invested by certain Clients is instead allocation to co-investors (who may or may not be investors in Clients) or supplemental capital vehicles, and there is no guarantee that any investor will be offered any particular co-investment opportunity. Each co-investment opportunity (should any exist) is likely to be different, and allocation of each such opportunity will depend on the facts and circumstances specific to that unique situation (*e.g.*, timing, industry, size, geography, asset class, projected holding period, exit strategy and counterparty). Different situations will require that the various facts and circumstances of each opportunity be weighted differently, as Blackstone Credit deems relevant to such opportunity. Such factors are likely to include, among others, (i) whether the potential Co-Investor adds strategic value, industry expertise or other similar synergies; (ii) whether a potential Co-Investor has expressed an interest in evaluating co-investment opportunities; (iii) whether a potential Co-Investor has an overall strategic relationship with Blackstone and/or Blackstone Credit that provides it with more favorable rights with respect to co-investment opportunities; (iv) whether a potential Co-Investor has demonstrated a long-term and/or continuing commitment to the potential success of Blackstone, Blackstone Credit, any of the Funds, Other Clients or other co-investments (including whether a potential Co-Investor will help establish, recognize, strengthen and/or cultivate relationships that may provide indirectly longer-term benefits to the Funds or Other Clients and their respective underlying portfolio companies, or whether the potential Co-Investor has significant capital under management by Blackstone or intends to increase such amount); (v) the ability of a potential Co-Investor to commit to a co-investment opportunity within the required

timeframe of the particular transaction; (vi) Blackstone Credit's assessment of a potential Co-Investor's ability to invest an amount of capital that fits the needs of the investment (taking into account the amount of capital needed as well as the maximum number of investors that can realistically participate in the transaction); (vii) whether the Co-Investor is considered "strategic" to the investment because it is able to offer a Fund certain benefits, including but not limited to, the ability to help consummate the investment, the ability to aid in operating or monitoring the portfolio company or the possession of certain expertise; (viii) the transparency, speed and predictability of the potential Co-Investor's investment process; (ix) whether Blackstone has previously expressed a general intention to seek to offer co-investment opportunities to such potential Co-Investor; (x) whether a potential Co-Investor has the financial and operational resources and other relevant wherewithal to evaluate and participate in a co-investment opportunity; (xi) the familiarity Blackstone has with the personnel and professionals of the investor in working together in investment contexts (which may include such potential Co-Investor's history of investment in other Blackstone co-investment opportunities); (xii) the extent to which a potential Co-Investor has committed to an Other Client; the size of such potential Co-Investor's interest to be held in the underlying portfolio company as a result of Clients' investment (which is likely to be based on the size of the potential Co-Investor's capital commitment or investment in Clients); (xiii) the extent to which a potential Co-Investor has been provided a greater amount of co-investment opportunities relative to others; (xiv) the ability of a potential Co-Investor to invest in potential add-on acquisitions for the portfolio company or participate in defensive investments; (xv) the likelihood that the potential Co-Investor would require governance rights that would complicate or jeopardize the transaction (or, alternatively, whether the investor would be willing to defer to Blackstone and assume a more passive role in governing the portfolio company); (xvi) any interests a potential Co-Investor may have in any competitors of the underlying portfolio company; (xvii) the tax profile of the potential Co-Investor and the tax characteristics of the investment (including whether the potential Co-Investor would require particular structuring implementation or covenants that would not otherwise be required but for its participation or whether such Co-Investor's participation is beneficial to the overall structuring of the investment); (xviii) whether a potential Co-Investor's participation in the transaction would subject a Fund and/or the portfolio company to additional regulatory requirements, review and/or scrutiny, including any necessary governmental approvals required to consummate the investment; (xix) the potential Co-Investor's chemistry with the potential management team of the portfolio company; (xx) whether the potential Co-Investor has any existing positions in the portfolio company (whether in the same security in which a Fund is investing or otherwise); (xxi) whether there is any evidence to suggest that there is a heightened risk with respect to the potential Co-Investor maintaining confidentiality; (xxii) whether the potential Co-Investor has demonstrated a long-term and/or continuing commitment to the potential success of a Fund, other affiliated funds and/or other co-investments, including the size of such commitment; (xxiii) whether the potential Co-Investor has any known investment policies and restrictions, guideline limitations or investment objectives that are relevant to the transaction, including the need for distributions; (xxiv) whether the expected holding period and risk-return profile of the investment is consistent with the stated goals of the investor; (xxv) whether a particular co-investment party has provided value in the sourcing, establishing relationships, participating in diligence and/or negotiations for such potential transaction or is expected to provide value to the business or operations of a portfolio company post-closing; and (xxvi) such

other factors as Blackstone Credit deems relevant and believes to be appropriate under the circumstances. The factors listed in the foregoing sentence are neither presented in order of importance nor weighted, except that Blackstone Credit has historically primarily relied upon the following two factors in making the determination to offer co-investment opportunities to Co-Investors: (i) whether the potential Co-Investor has demonstrated a long-term and/or continuing commitment to the potential success of Clients (including whether a potential Co-Investor will help establish, recognize, strengthen and/or cultivate relationships that may provide indirectly longer-term benefits to Clients or Other Blackstone Clients and their respective underlying portfolio companies), other affiliated funds, and/or other co-investments, including the size of any such commitment and fee revenue or profits generated for the benefit of Blackstone Credit or Blackstone as a result thereof and (ii) the ability of a potential Co-Investor to commit to a co-investment opportunity within the required timeline of the particular transaction. Except as otherwise described herein, Co-Investors generally will not share Broken Deal Expenses with a Fund and Other Clients, and such expenses may be significant.

Blackstone Credit will typically (but is not required to) establish co-investment vehicles for one or more investors (including third party investors and investors in the Fund) in order to co-invest alongside the Fund in one or more future investments. The existence of these vehicles could reduce the opportunity for other investors to receive allocations of co-investment.

In addition, Blackstone Credit will generally agree with investors (including Blackstone strategic relationships, third party investors and investors in the Clients) to more favorable rights or pre-negotiated, more favorable terms as compared to other co-investors with respect to co-investment opportunities, including with respect to discounts or rebates of performance-based compensation and/or management fees borne by an investor in a Client. To the extent any such arrangements are entered into, they may result in fewer co-investment opportunities being made available to investors in Clients. Furthermore, in connection with any co-investment by third party Co-Investors, Blackstone Credit and/or Blackstone may establish one or more investment vehicles managed or advised by Blackstone Credit and/or Blackstone to facilitate such Co-Investors' investment alongside one or more Clients.

The amount and frequency of co-investment by any co-investment vehicle would be at the discretion of the General Partner or Blackstone Credit, as applicable, or as determined by the Offering and/or Governing Documents of such co-investment vehicle. It is possible that the co-investment vehicle would result in fewer co-investment opportunities being made available to investors who do not participate therein, and allocations to the co-investment vehicle are likely to result in the investment vehicles investing less than they would have in the related investment.

In addition, Blackstone Credit and/or its affiliates will in certain circumstances be incentivized to offer certain potential Co-Investors opportunities to co-invest in priority and/or on more favorable terms as compared to other potential Co-Investors because the extent to which any such Co-Investor participates in (or is offered) co-investment opportunities may impact the amount of performance-based compensation and/or management fees or other fees paid by

the Co-Investor receiving the priority allocation or better terms (as well as any additional discounts or rebates thereof that may result if certain target co-investment allocations or other conditions under such arrangements are not achieved) to which the General Partner and/or its affiliates are entitled under the arrangements with such Co-Investor with respect to such Co-Investor's participation in one or more Other Clients, investments and/or otherwise in connection with such Co-Investor's relationship with Blackstone. The amount of performance-based compensation or expenses charged (including diligence expenses and general overhead, administrative, deal sourcing and related corporate expenses) and/or management fees, servicing fees or other fees paid (or offset) by the Client may be less than or exceed such amounts charged or paid by co-investment vehicles pursuant to the terms of such vehicles' partnership agreements and/or other agreements with Co-Investors, and such variation in the amount of fees and expenses will create an economic incentive for Blackstone Credit to allocate a greater or lesser percentage of an investment opportunity to such Client or such co-investment vehicles or Co-Investors, as the case may be. In addition, other terms of existing and future co-investment vehicles may differ materially, and in some instances may be more favorable to Blackstone Credit, than the terms of the Client, and such different terms will create an incentive for Blackstone Credit to allocate a greater or lesser percentage of an investment opportunity to the Client or such co-investment vehicles, as the case may be. Such incentives will from time to time give rise to conflicts of interest, and there can be no assurance that such conflicts of interest will be resolved in favor of the Client. Accordingly, any investment opportunities that would have otherwise been offered or allocated, in whole or in part, to a Client may be reduced and made available to co-investment vehicles. Co-investments may be offered by the General Partner on such terms and conditions (including with respect to management fees, servicing fees, performance-based compensation and related arrangements) as the General Partner determines in its discretion on a case-by-case basis.

Blackstone Credit will, prior to making any co-investment opportunities available to any Co-Investor, determine whether any given investment opportunity is (a) required to be offered to specific LP Co-Investors or a dedicated co-investment vehicle under the terms of any agreement and/or (b) suitable for Other Clients pursuant to the contractual terms governing such Other Clients, taking into account the Other Clients' investment strategy, Blackstone Credit's policies and procedures and Blackstone Credit's fiduciary duties. There are also circumstances where a portion of an investment opportunity that otherwise would have been invested in by a Client is instead allocated to Co-Investors, and there is no guarantee for any Client or investor that it will be offered any co-investment opportunities.

Apart from the factors described above, the form and terms of each co-investment opportunity will similarly be determined by Blackstone Credit on a case-by-case basis, based on the facts and circumstances of the particular transaction. The terms and conditions (including, and dependent upon the proposed structure of such transaction, any fees or incentive allocation payable to Blackstone Credit) will be negotiated on a case-by-case basis. Please see **Item 5 – Fees and Compensation** for information about the allocation of Broken Deal Expenses with respect to co-investment opportunities. Blackstone Credit will be entitled to consider as a factor the likelihood that a potential Co-Investor will accept or be amenable to the proposed form and terms of such co-investment.

***Investments in Portfolio Companies Alongside Other Clients.*** From time to time, the Clients will co-invest with other Blackstone Clients and co-investment or other vehicles in which Blackstone or its personnel invest and that co-invest with such other Blackstone Clients in investments that are suitable for both the Clients and such other Blackstone Clients or other vehicles. Even if the Clients and any such other Blackstone Clients and/or co-investment or other vehicles invest in the same securities, conflicts of interest may still arise. For example, it is possible that as a result of legal, tax, regulatory, accounting or other considerations, the terms of such investment (and divestment thereof) (including with respect to price and timing) for the Clients and such other funds and vehicles may not be the same. Additionally, the Clients and such other Blackstone Clients and/or vehicles will generally have different investment periods and/or investment objectives (including return profiles) and Blackstone Credit, as a result, may have conflicting goals with respect to the price and timing of disposition opportunities. As such, a Fund and/or such Other Clients may dispose of any such shared investment at different times and/or on different terms. Investments by more than one Client of the Registrant or its affiliates in a portfolio company also raises the risk of using assets of a Client of the Registrant or its affiliates to support positions taken by other Clients of the Registrant or its affiliates, or that a Client may remain passive in a situation in which it is entitled to vote. For example, because the Registrant has an incentive to show realized returns in connection with other fundraising activities (including fundraising for a successor fund) or because one Client's term may expire before the end of another Client's term, such Clients may dispose of the investment at different times. Investments disposed of at different times will likely be disposed of at different valuations, and, as a result, each Client may realize different returns as compared to the same investment held by another Client. These variations in timing may be detrimental to a Client. At the same time, if the Registrant determines it is advisable for a Client to exit an investment at the same time as another Client of the Registrant or its affiliates, the term of which may expire sooner than the former Client's, such Client may dispose of its interest earlier than it ordinarily would have and may, as a result, experience lower returns than it otherwise may have earned on such investments. Moreover, while Blackstone Credit generally seeks to use reasonable efforts to avoid cross-guarantees and other similar arrangements, a counterparty, lender or other participant in any transaction to be pursued by the Clients and/or the other Blackstone Clients may require or prefer facing only one fund entity or group of entities, which may result in any of the Clients and such other Blackstone Clients and/or vehicles being jointly and severally liable for such applicable obligation (subject to any limitations set forth in the applicable Offering and/or Governing Documents thereof), which in each case may result in the Clients and such other Blackstone Clients and/or vehicles entering into a back-to-back or other similar reimbursement agreement. In such situations it is not expected that any of the Clients or such other Blackstone Clients or vehicles would be compensated (or provide compensation to the other) for being primarily liable vis-à-vis such third party counterparty. If one Client or other Blackstone Clients default on such arrangement, the other Client or other Blackstone Client may be held responsible for the defaulted amount.

***Debt Financings in connection with Acquisitions and Dispositions.*** A Client will from time to time provide financing (1) as part of a third party purchaser's bid for, or acquisition of, a portfolio entity or the underlying assets thereof owned by one or more Other Clients and/or (2) in connection with a proposed acquisition or investment by one or more Other Clients or

affiliates of a portfolio company and/or its underlying assets. This generally would include the circumstance where a Client is making commitments to provide financing at or prior to the time such third party purchaser commits to purchase such investments or assets from one or more Other Clients. A Client will from time to time also make investments and provide debt financing with respect to portfolio companies in which Other Clients and/or affiliates hold or propose to acquire an interest, including when such investments or debt financing would result in (x) facilitating the acquisition by one or more Other Clients of all or a portion of the economic ownership interests and voting rights in a portfolio company or (y) the repayment of an Other Client's existing investment. While the terms and conditions of any such arrangements will generally be at arm's length and negotiated on a case by case basis, the involvement of such Client and/or such Other Clients or affiliates may affect the terms of such transactions or arrangements and/or may otherwise influence the applicable management company's decisions with respect to the management of such Client and/or such Other Clients or the relevant portfolio company, which may give rise to potential or actual conflicts of interest and which could adversely impact such Client, including but not limited to such Client receiving terms less favorable than it would otherwise have received in the absence of such conflict.

***Firm Involvement in Financing of Third Party Dispositions by Clients.*** Certain Clients will from time to time dispose of all or a portion of an investment by way of accepting a third-party purchaser's bid where Blackstone or one or more Other Clients is providing financing as part of such bid or acquisition of the investment or underlying assets thereof. This generally would include the circumstance where Blackstone or one or more Other Clients is making commitments to provide financing at or prior to the time such third-party purchaser commits to purchase such investments or assets from Clients. Such involvement of Blackstone or one or more Other Clients as such a provider of debt financing in connection with the potential acquisition of portfolio investments by third parties from certain Clients will give rise to potential or actual conflicts of interest, including but not limited to such Clients accepting a lower purchase price than they would otherwise have accepted in the absence of such conflicts.

***Trade Errors.*** A trade error is an error made by Blackstone Credit in the placement, execution, or settlement of a trade for a Client. Trade errors are evaluated on a case-by-case basis. Errors are reported to the Chief Compliance Officer upon discovery and are to be corrected as soon after discovery as is reasonably practicable. Blackstone Credit generally will reimburse losses suffered by a Client as a result of a trade error caused by Blackstone Credit's gross negligence or such other standards of care as otherwise specified in the applicable Offering and/or Governing Documents of such Client. Client losses and Client gains will be reviewed on a "net" basis, taking into account, among other factors, all income attributable to the trade that is the subject of the trade error, similar trades, or trades within a specified period, provided that the resolution is equitable to the Client over time. In addition, Blackstone Credit will not correct a trade error made for one Client by causing an Other Blackstone Credit Client to buy or sell the securities unless such transaction has been approved by a committee that oversees conflicts of interest.

The violation of any prohibitions, limits or any other guidelines (numerical, percentage-based, ratings-based or otherwise) that constitutes a "trade error" shall cease to constitute



a “trade error” if (i) such violation is expressly curable under the applicable Offering and/or Governing Documents and (ii) Blackstone Credit cures such violation after becoming aware of the violation in accordance with such Offering and/or Governing Documents. Blackstone Credit may purchase, acquire, sell, exchange, liquidate, transfer or otherwise dispose of any asset or instrument (whether such asset or instrument is the cause of such violation or not) in the event of, or to cure, any such violation.

The following circumstances do not constitute trade errors (“**Other Trade Issues**”): (a) the error does not result in a transaction in a Client’s account (such as an error that results in the loss of an investment opportunity), (b) the error is the fault of the executing broker-dealer or another third party, (c) the purchase or sale of the asset is reallocated to an Other Client prior to settlement in accordance with Blackstone Credit’s allocation policies, (d) the purchase or sale of an asset violates restrictions solely arising from a contractual obligation to a third party other than the applicable Client, (e) the failure to satisfy certain contractually imposed settlement requirements results in the forfeiture of delayed compensation, as provided under The Loan Syndications and Trading Association (“**LSTA**”) Standard Terms and Conditions for Par/Near Par Trade Confirmations, which are incorporated by reference into the LSTA Par/Near Par Trade Confirmation; (f) the Offering and/or Governing Documents of the applicable Client expressly provide for the right of Blackstone Credit to cure such that a trade error is deemed not to have occurred and Blackstone Credit cures in accordance therewith, (g) undetected software defects or fundamental issues with the Blackstone Credit’s method of interpreting and acting upon the model’s output, (h) model enhancements and improvements made as part of the normal research process that would not be categorized as a trade error, (i) the error is the fault of a third-party data provider utilized by a systematic model and reasonably relied upon as being accurate; (j) model enhancements and improvements as part of the normal research process that would not be categorized as an investing/trading error, or (k) the applicable Client ratifies the trade in writing. If an Other Trade Issue exists, Blackstone Credit will determine an appropriate course of action, subject to applicable policies and procedures, Offering and/or Governing Documents and other relevant materials or information, as necessary.

## **Item 13: Review of Accounts**

The Registrant's investment professionals review Client accounts on an ongoing basis. This analysis includes, but is not limited to, a review of:

- Compliance with the investment strategy and restrictions provided in the specific offering documents of such Client
- Potential Conflicts
- Market Conditions
- Style Drift
- Performance Attribution
- Performance Deviation

These reviews take place at Investment Committee meetings, where investment ideas and strategies are discussed. A variety of internal and external resources may be reviewed during the course of such meetings. In addition to these formal meetings, which take place weekly or as needed, the Registrant's investment professionals may meet and discuss the review of investment advisory accounts on a more frequent, informal basis. The Investment Committee also conducts regular credit reviews based on monitoring and analysis performed by traders and investment analysts.

The Registrant provides unaudited performance reports on a monthly or quarterly basis to certain Clients, as specified in the Offering and/or Governing Documents of such Clients, and provides audited financial statements to Fund investors annually. The Registrant may elect to provide different levels of reports to investors.

Certain investors in the Funds may request information relating to a Fund and, to the extent such information is readily available or may be obtained without unreasonable effort or expense, the Registrant will provide such investors with the information requested. Investors that request and receive such information will consequently possess information regarding the business and affairs of a Fund that may not be known to other investors. As a result, certain investors may take actions on the basis of such information that other investors, lacking such information, do not take.

## **Item 14: Client Referrals and Other Compensation**

Any cash payments to third parties for solicitation activities will be made in accordance with Rule 206(4)-3 of the Advisers Act, to the extent applicable.

In a typical distribution/placement arrangement, the Registrant will generally agree to pay a third party solicitor for referring investors in certain Funds or Managed Accounts. Typically, the third party solicitors will receive a portion of the management fee and/or performance fee payable to the Registrant (although other payment arrangements could exist). A prospective investor solicited by a third party solicitor engaged by the Registrant will be informed of (and may be asked to acknowledge in writing its understanding of) any such arrangement. All fees for such solicitation services will be borne by the Registrant, and investors in such Fund or the owner of such Managed Account will not bear any increased or additional fees or charges. The dollar amount of any placement agent fees is paid out of the applicable Funds, but may be credited as an offset to the management fees paid by the Funds or Managed Accounts, as provided in the applicable Offering and/or Governing Documents of the Client.

Third party solicitors in the U.S. will be registered as broker-dealers with the SEC. Third party solicitors outside the U.S. may be registered with a non-U.S. regulatory body to the extent such registration is required.

BSP, an affiliate of Blackstone Credit, serves as a placement agent to the Funds in the U.S. but is not compensated for such services. Please see **Item 10 – Other Financial Industry Activities & Affiliations** for more information.

## Item 15: Custody

In connection with the management of investments for certain Clients, Blackstone Credit has, or is deemed to have, custody of certain funds or securities of its Clients. Rule 206(4)-2 (the “**Custody Rule**”) of the Advisers Act defines custody as holding client securities or funds or having any authority to obtain possession of them, including the authority to withdraw funds or securities from a client’s accounts or ownership of or access to client funds or securities (such as through fee deductions).

Blackstone Credit maintains certain Client assets with qualified custodians, such as U.S. banks, registered broker-dealers, futures commission merchants, and certain foreign financial institutions.

## **Item 16: Investment Discretion**

The Registrant generally, although not exclusively, acts as a discretionary investment adviser and may exercise sole authority to determine the securities bought and sold for each account, as well as the amounts thereof, without obtaining specific client consent and without limitation on such authority. Any specific investment guidelines and restrictions are provided in the applicable Offering and/or Governing Documents.

Please refer to **Item 12 – Brokerage Practices** for a discussion on the Registrant's Allocation and Aggregation Policy.

## Item 17: Voting Client Securities (Proxy Voting)

As a fiduciary, an investment adviser with proxy voting authority has a duty to monitor corporate events and to vote proxies on behalf of its clients, as well as a duty to cast such votes in the best interests of its clients and to not subrogate client interests to its own. Rule 206(4)-6 under the Advisers Act (the “**Proxy Voting Rule**”) places specific requirements on registered investment advisers with proxy voting authority. Due to the nature of the investment strategies deployed by the Registrant, equity securities will generally not be a large portion of the investments of any Client. Nevertheless, because the Registrant generally has discretionary authority over the securities held by the Clients, the Registrant is viewed as having proxy voting authority over such securities. Accordingly, the Registrant is subject to the Proxy Voting Rule. To meet its obligations under this rule, the Registrant has adopted written Proxy Voting Policies and Procedures, which are available upon request. These policies and procedures are reasonably designed and implemented in a manner reasonably expected to confirm that the Registrant votes proxies in the best interests of its Clients and to address how the Registrant will resolve any conflict of interest that may arise when voting proxies. Where the Registrant deems appropriate in its sole discretion, unaffiliated third parties are in certain cases used to help resolve conflicts or to otherwise assist the Registrant in fulfilling all or part of its voting obligations. In this regard, the Registrant can retain independent fiduciaries, consultants, or professionals to assist with voting decisions and/or to which voting and/or consent powers may be delegated in accordance with its proxy voting policies and procedures.

Clients may request a copy of the Registrant’s proxy voting policy and the proxy voting record by contacting the Registrant at the address or telephone number on the cover of this Brochure.

## **Item 18: Financial Information**

The Registrant is not aware of any financial condition reasonably likely to impair its ability to meet contractual commitments to its Clients.